JULY 18, 1959

foreign trade

CANADA

CHICAGO PUBLIC LIBRARY
JUL 2 8 '59

FRANCE AND THE FRANCO-AFRICAN COMMUNITY (pages 2-10)

Established in 1904

foreign trade

OTTAWA, JULY 18, 1959 Vol. 112, No. 2

cover The bridges over the Seine, with the Eiffel Tower in the background, make the picture unmistakably Paris — capital of France and heart of the French franc zone. The cover focuses attention on the first three articles in this issue, outlining economic developments in France itself, in the emergent Franco-African Community, and in one part of that Community, French Equatorial Africa. See pages 2 to 10.

2 The French Market . . . *recent economic changes in France make a reassessment of opportunities there timely.*

4 The Franco-African Community . . . *basic data on twelve republics where sales potential should increase as development proceeds.*

7 French Equatorial Africa . . . *France still dominates trade in these tropical countries but Canada has small share.*

13 Will Argentina Buy Our Seed Potatoes? . . . *the Buenos Aires office discusses factors that will determine the answer to this question, vital to our producers.*

16 Export Credits Insurance Act Amended . . . *a look at the new legislation passed at the present session of Parliament and its meaning for exporters.*

20 Pakistan as the Trader Sees It . . . *an examination of current trade, plus some advice on how to approach importers there.*

10 Gaboon Becomes Major Producer

15 Sarawak's Pepper Industry

22 Israel: Citrus Growers Boost Production

24 U.K. Token Import Scheme: Unused Quotas

11	Commodity Notes	28	Tours of Territory
34	Foreign Exchange Rates	36	Trade Commissioners on Tour
29	Foreign Trade Service Abroad	26	Trade and Tariff Regulations
27	General Notes	19	Transportation Notes

Published fortnightly by the Department of Trade and Commerce.
The Hon. GORDON CHURCHILL, Minister, JOHN H. ENGLISH, Deputy Minister.

Please forward all orders to: Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $5.00 abroad. Single copies: 20 cents each.

Material appearing in this magazine may be freely reprinted, preferably giving credit to "Foreign Trade".

CANADA

71769-4—1

THE FRENCH MARKET

. . . particularly for raw materials and semi-manufactures, offers new opportunities to Canadian exporters. But it's still a market that calls for careful study before your sales campaign begins.

R. CAMPBELL SMITH, *Commercial Counsellor, Paris.*

THE newest star in the financial firmament is the heavy franc—or "franc lourd"—announced by the French Government at the end of last year. Newly minted one-franc pieces, equal in value to the present 100-franc coin, will shortly go into circulation in France. Bank notes are having their faces lifted by the government printer and will reappear with two noughts amputated. Apart from this change, the relationship between the franc and other currencies will remain the same. The new unit will be the only legal tender in France after January 1, 1960.

This is the currency that, with heightened self-respect, is the foundation of the far-flung French franc currency area—comprising, in addition to metropolitan France, the Departments of Algeria and the Sahara, the Franco-African Community (see article on page 4) Morocco, Tunisia, Guinea, the former Indo-China, the French trust territories in Africa, and dependencies elsewhere in both hemispheres.

The heart of the franc area both commercially and financially is France, which absorbed more than 85 per cent of the franc zone's foreign imports in 1957 and, together with the Franco-African Community, over 90 per cent. However, almost three-quarters of France's imports came from outside the Zone.

Where French Buy

With this as background, let us examine the French market. The general pattern of imports is broadly indicated by the table below.

Imports from countries outside the franc zone originated as follows: 17 per cent from the dollar area, 28 per cent from the sterling area, 41 per cent from OEEC countries (excluding those in sterling area), 6 per cent from the Soviet bloc and 8 per cent from other countries. Canada accounted for 1.4 per cent, or 23.8 billion francs worth. Germany, the United States and Benelux are France's leading suppliers, holding 30 per cent of the total market.

What They Buy

Sixty per cent of France's imports (and 40 per cent of her exports) consist of fuels, raw materials and semi-manufactures; 15 per cent of imports (and 45 per cent of exports) consist of fully manufac-

IMPORTS INTO FRANCE 1958

	From Foreign Countries		From Franc Zone (in billion francs)		Total, from all sources	
Foodstuffs, drink and tobacco (excluding oils and fats)	172.0		422.3		594.3	
Energy (oil, coal, etc.) and lubricants	454.3		9.8		464.1	
Raw materials	407.3		179.5		586.8	
Manufactures of which:	670.3		38.4		708.7	
semi-manufactures		298.9		34.6		333.5
for agriculture		20.0				20.0
for industry		264.7		1.5		266.2
for consumption		86.7		2.1		88.8
Industrial gold	1.3				1.3	
Total imports	1,705.2		650.0		2,355.2	

At 1958 rate of exchange, one billion francs=$2.2 million approximately.

tured goods. The franc zone provides scarcely any manufactures as yet and only a small part of France's needs in energy, raw materials and semi-manufactures. But this situation is rapidly changing.

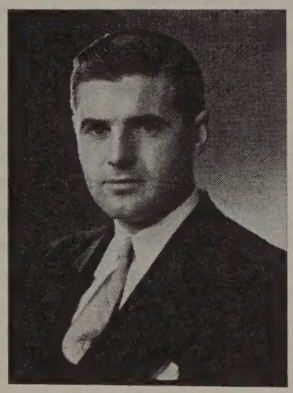
Some of the more interesting commodity groups are:

	As per cent of imports from:	
	Other sources	Franc zone
Fruits and vegetables	2.6	17.2
Cereals for milling and their products	0.5	5.6
Coffee, cocoa and spices	1.3	12.6
Oilseeds, etc., for crushing	0.9	8.2
Wine and spirits	1.7	22.2
Oils and fats	0.6	4.0
Coal	9.8	0.3
Petroleum	16.7	1.3
Chemicals	5.4	1.1
Fibres and textiles	11.8	3.2
Rubber and rubber goods	2.2	2.6
Hides and skins and leather products	2.0	0.9
Lumber and wood products	1.7	3.1
Pulp and paper	4.4	0.5
Non-ferrous minerals and metals	5.6	5.4
Iron and steel and ores	5.6	0.8
Machinery and equipment (electrical)	2.0	
Other machinery and equipment	11.0	
Transport	3.4	
Other	10.8	11.1
TOTAL	100.0%	100.0%
TOTAL VALUE (billion francs)	1,705.2	650.0
Agricultural products	12.6%	78.5%
Industrial products	87.4%	21.5%

By 1961, oil production in the Sahara is expected to correspond to 50 per cent of the franc area's oil requirements and by 1965, 95 per cent. Sahara natural gas and mining projects in Africa will eventually go far toward meeting other needs. Natural gas wells at Lacq in southwest France are meanwhile beginning to supply much wanted energy for basic industries and will soon change the country from an importer of sulphur into a major exporter.

What Canadians Can Sell

The Canadian exporter assessing the French market should bear in mind that base materials and semi-manufactures will probably continue to hold first place among Canadian shipments, followed by foodstuffs, agricultural products and manufactured goods. As reported in *Foreign Trade* of June 20, 1959, dollar restrictions are being further relaxed early this summer. The new opportunities thus presented for the sale of Canadian goods will require careful investigation item by item. Even when the list of liberalized products is known, a general forecast of market prospects will be difficult to make—particularly as it is still rather early to predict the rate at which French industrial activity is likely to pick up in months to come.



R. CAMPBELL SMITH has been Commercial Counsellor in Paris since 1957; he was first posted there as Commercial Secretary in 1954. After joining the Trade Commissioner Service in 1945 he served in Cairo, St. John's, Newfoundland, and London. Following this he was posted to Paris. Mr. Campbell Smith began a tour of Canadian centres last week in Toronto (for his itinerary, turn to page 36). When he completes his tour and home leave, he will return to Paris.

How to Approach French Market

Metropolitan France has a population of 44 million, currently increasing by 300 thousand a year. The gross national product is in the vicinity of $50 billion, or approximately 40 per cent as large again as Canada's.

For the present and near future at least, France must be regarded chiefly as a market for industrial materials and investment goods. For the time being, opportunities for consumer goods from the dollar countries are not promising.

Though French industry is distributed throughout the country, the majority of companies have central or branch offices in Paris through which foreign suppliers usually establish contact. Other important commercial and industrial centres are Lyon, Marseilles, Le Havre, Lille, Strasbourg, Grenoble and Bordeaux.

All branches and many specialized sub-branches of industry are well organized into business federations, associations or syndicates. Some industries also operate through buying syndicates (or "groupements") for the major base materials imported—asbestos, copper, pulp, pulpwood, newsprint, oilseeds, wheat, milk products, wool, etc. This often reduces selling to negotiating with one central office, supplemented by contact with individual manufacturers as may be necessary.

Otherwise, big French companies do their buying as in Canada. When they buy through local agents or representatives of foreign suppliers, it is the practice to have the agent or representative attend to all import licence formalities (see *Foreign Trade* of April 11, 1959, page 6). Having a representative is impor-

tant not only for this reason but also (obviously) for sales prospecting and promotion. He should, as a rule, be in Paris, with sub-agents appointed in other centres as special cases require.

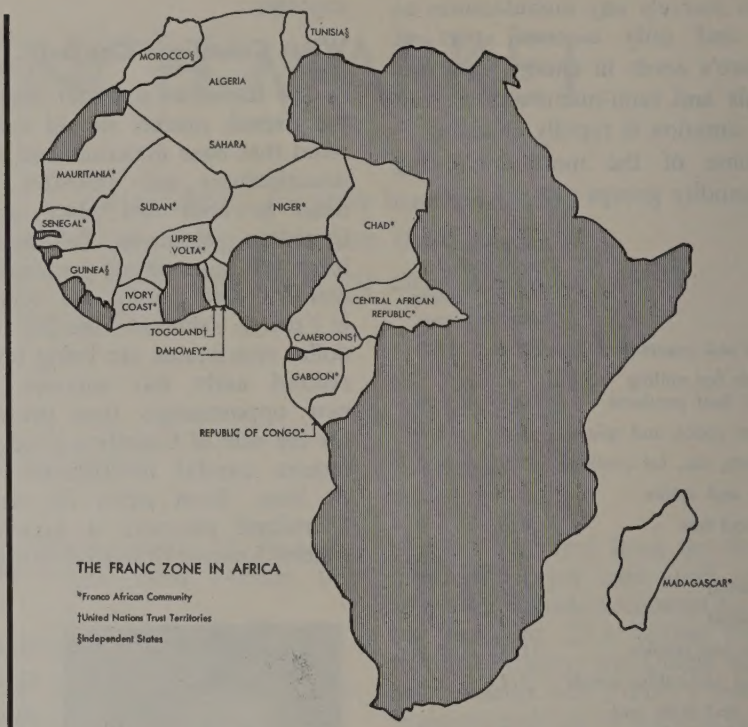
Keeping in Touch

Exporters can keep in touch with movements and developments in this market in a variety of ways. The government statistical publications and economic bulletins are excellent and are admirably supplemented by specialized publications put out by the French Federation of Industries, Chambers of Commerce, and the associations and syndicates mentioned earlier. The financial, economic and commercial press provides coverage to meet the most varied interests. Marketing surveys and specialized services are obtainable from a wide selection of private specialists.

Interested businessmen should also study two reports that have appeared in *Foreign Trade* in recent weeks: "France" on June 20, 1959, and "French Measures Ease Dollar Trade" on April 11, 1959. The accompanying article in this issue deals with the market in the Franco-African Community.

For the Importer

For Canadian companies who wish to buy in France or engage in other transactions there are other avenues of assistance—such as the branches of Canadian banks and transport companies in Paris, the Comité Franc Dollar, and the Centre National du Commerce Extérieur. The Comité and the Centre National will handle inquiries for any French product or agency. The Comité also handles requests for licensing of French patents and investigations into the establishing of branch plants or subsidiaries in France. Chambers of Commerce and regional development organizations which have certain quasi-government functions also stand ready to make their extensive facilities available. ●



Franco-African Community: Mauritania, Senegal, Ivory Coast, Sudan, Niger, Volta, Dahomey, Central African Republic, Gaboon, Middle Congo, Chad.
United Nations Trust Territories: Togoland, Cameroons.
Independent States: Guinea, Tunisia, Morocco.

The Franco-African Community

What potential has this vast area, with its 75 million people, great development plans?

Our office in Paris, heart of the Community, briefs the export on fundamental facts about this largely unknown market.

R. CAMPBELL SMITH, *Commercial Counsellor, Paris.*

SPREAD from the North Sea to the Indian Ocean is a family of states and territories forming a community larger in area than Canada and containing over 75 million inhabitants. Linked by constitution and a common currency, this collectivity represents a potential outlet of considerable importance for Canadian products. Yet last year our exports to these areas amounted to less than $50 million.

The French franc currency area taken as a whole is vast. In addition to the members mentioned in the paragraph below, it also includes six independent states (Morocco, Tunisia, Guinea, South Vietnam, Laos and Cambodia). The whole zone spent the equivalent of over $5,500 million on foreign imports, of which $1,250 million worth came from the dollar area.

The Community Explained

The accompanying map tells its own tale. From the Atlantic almost to the Upper Nile the Community has a span equal to the distance between Saint John and Vancouver—with Madagascar half a continent away.

The twelve republics of the Community consists of seven territories of former French West Africa, four territories of former French Equatorial Africa, and Madagascar—total population, 26.8 million. Lying outside the Community but still tied together by race, geography, and trade are the neighbouring Republic of Guinea and the United Nations trust territories—the Republic of Togoland and the Cameroons. Taken as an economic entity, this region is a major exporter of peanuts, vegetable oils, palm kernels, wood, coffee, bananas, iron ore, bauxite, diamonds, and phosphates. It also has immense hydraulic resources.

From 1947 to 1958, France accorded grants to these states totalling $1,245 million and loans amounting to $445 million. With another $450 million raised locally, these funds have been spent on public works, railways, roads, ports, airports, power development, hospitals, farm and land development, and other capital improvements. The European Economic Community has plans for joint investment in this area and in the other African territories of the Six to a total of $600 million over the next five years. Much is to be done towards the development of this vast region, populated by 30 different ethnic groups speaking 120 different languages or dialects.

The basic facts concerning the region can be summarized as follows:

Former French West Africa

Mauritanian Islamic Republic (formerly Mauritanie)
Capital: Nouakchott
Population: 615,000
Area: 415,000 square miles
Industries: agriculture, iron mining

State of Senegal (Sénégal)
Capital: Dakar
Population: 2,240,000
Area: 80,600 square miles
Imports: $198,900,000 (1956)
Industries: peanuts, alumina, phosphates

Republic of the Ivory Coast (formerly Côte d'Ivoire)
Capital: Abidjan
Population: 2,485,000
Area: 123,500 square miles
Imports: $105,300,000 (1956)
Industries: coffee, cocoa, wood

Sudanese Republic (formerly Soudan)
Capital: Bamako
Population: 3,643,000
Area: 450,000 square miles
Crops: peanuts, shea nuts, cotton and kapok

Republic of Niger (formerly Niger)
Capital: Niamey
Population: 2,335,000
Area: 494,500 square miles
Imports: $9,100,000 (1956)
Crops: peanuts

Voltaic Republic (formerly Haute Volta)
Capital: Ouagadougou
Population: 3,325,000
Area: 105,900 square miles
Crops: shea nuts

Republic of Dahomey (formerly Dahomey)
Capital: Porto Novo
Population: 1,615,000
Area: 43,600 square miles
Imports: $21,140,000 (1956)
Crops: coffee, palm kernels, palm oil

Former French Equatorial Africa

Central African Republic (formerly Ubangi-Shari)
Capital: Bangui
Population: 1,135,000
Area: 238,000 square miles
Industries: cotton, coffee, diamonds

Gaboon Republic (formerly Gabon)
Capital: Libreville
Population: 404,000
Area: 103,000 square miles
Industries: cocoa, wood, gold, diamonds

71769-4—2½

Republic of the Congo (formerly Moyen Congo)

Capital: Pointe Noire
Population: 760,000
Area: 132,000 square miles
Industries: palm oil, shea nuts, peanuts, wood, lead ore

Republic of the Chad (formerly Chad)

Capital: Fort Lamy
Population: 2,580,000
Area: 496,000 square miles
Crops: cottonseed, peanuts

Also a member of the Franco-African Community is Madagascar, an island off the southeast coast, and now known as the Malagash Republic.

Malagash Republic (formerly Madagascar)

Capital: Tananarive
Population: 4,300,000
Area: 231,250 square miles
Imports: $146,000,000 (1957)
Industries: sugar, coffee, cocoa, mica and graphite, rice, manioc, corn, peas, vanilla, cattle (Zebus)

The rest of the franc zone in Africa includes the French Department of Algeria (and Sahara); the independent states Morocco, Tunisia, and the Republic of Guinea; and the United Nations Trust Territories—Togoland and the Cameroons. The main characteristics of the first four are:

Morocco

Capital: Rabat
Population: 10,000,000
Area: 165,000 square miles
Imports: $400,000,000 (1957)
Industries: durum wheat, citrus fruits, wine, phosphates, lead, zinc, cobalt, cork

Tunisia

Capital: Tunis
Population: 3,815,000
Area: 48,500 square miles
Imports: $180,000,000 (1957)
Industries: durum wheat, olives and olive oil, dates, citrus fruits, wine, cork, phosphates, iron ore, lead

Republic of Guinea

Capital: Conakry
Population: 2,507,000
Area: 106,200 square miles
Imports: $37,700,000 (1957)
Industries: coffee, bananas, palm kernels, bauxite, iron ore, diamonds

Algeria (and Sahara)

Capital: Algiers
Population: 8,900,000
Area: 850,000 square miles
Imports: $972,000,000 (1957)
Industries: durum wheat, olives and olive oil, dates, citrus fruits, wine, vegetables, iron ore, coal, lead, zinc, phosphates, oil and natural gas

Import Regulations

Algeria-Sahara, as legally part of French customs territory, applies no duties to French imports. Tunisia and France, which were a full customs union until 1956, are negotiating a new agreement. The states of former French West Africa apply no duties or quota limitations on French goods. The former French Equatorial Africa, and Togoland and the Cameroons, apply internal taxes on imports from all sources, including France, but there are no quota restrictions on goods from the franc area. Morocco does not give preferential tariff treatment to French goods but under its exchange control regulations, only imports from outside the franc zone are subject to import licensing requirements. Under the Treaty of Rome, the former French West Africa, French Equatorial Africa, Togoland and the Cameroons are to be associated with the Common Market. The trade arrangements between these territories and the other Common Market countries of Europe will eventually be the same as the arrangements between the territories and France. All these considerations may influence the market for Canadian goods.

What to Sell

What products should Canadian exporters try to sell in this area? In general, the answer is capital goods that will be needed for the many development projects now going on (especially in Guinea) and not easily obtained from the franc zone. Included in this broad grouping are construction and other industrial machinery, tractors and parts, trucks and parts, electrical machinery, and so on. Both private and public investment funds are flowing into this territory and this inflow is expected to continue. For consumer goods the market will probably remain limited, and the competition from France itself and Japan will continue to be stiff.

The main importing establishments are found in the port cities—such as Dakar, Conakry, Abidjan, and Cotonou in French West Africa. The technique of trading with French Equatorial Africa is outlined in the article that follows. The businessman should note, however, that many of the larger trading houses maintain head offices in Paris and his contacts might well begin there. ●

French Equatorial Africa
production and imports

A look at the resources, investment opportunities, and trade of the four republics that lie astride the Equator—and the prospects for dollar goods there.

R. A. BULL,
Assistant Trade Commissioner, Leopoldville.

FRENCH Equatorial Africa consists of four republics, each with a popularly elected native Prime Minister. Each of the four enjoys complete internal autonomy but foreign affairs, trade and finance remain the responsibility of France and French officials serve in all of the governments as advisers and administrative heads of departments. Because the republics are underdeveloped and in need of outside aid, the French connection is their assurance of assistance. Independence is less than a year old and both the French and the Africans are feeling their way forward to a mutually satisfactory modus vivendi. It is not an easy process but progress is being made.

Here is a brief look at the economic resources of the various parts of French Equatorial Africa. (See also article "The Franco-African Community".)

• *Republic of the Congo*—Agriculture, the main activity, suffers from a lack of workers and transport facilities. Commercial crops include tobacco, coffee, rubber, fibres, copal, lumber and vegetable oils. Cattle breeding is still in the development stage. Industry is mainly local in character and includes vegetable-oil refineries, soap factories, small smelting works and foundries. Some alluvial gold, lead and zinc mining is under way and the presence of diamonds has been established. Coal and oil are lacking but a few hydroelectric stations are producing power. Completion of the Kouilou project will help to remedy the power lack.

• *Central African Republic*—This area is the least advanced of the four republics and is only beginning to develop commercial crops. There is some vegetable-oil refining and soapmaking, and a brewery. Bangui is 1,000 miles from Brazzaville by river and imported goods are therefore scarce and expensive.

• *Republic of the Chad*—Despite large areas of desert, the Chad produces millet, rice, wheat, beans and dates. Cotton and peanuts are commercial crops. It is the most important cattle-breeding country of the tropical Sahara, with a cattle population of between three and four million head. The Government has actively fostered this development, with veterinary and marketing services and the provision of deep-well watering stations. These herds are the basis of an important meat-packing industry that exports its products to the Belgian Congo, the Cameroons and the Republic of the Congo. A lot of meat also leaves on the hoof for Nigeria. The rivers of the Chad produce excellent fish. There is very little industry. Imported manufactured goods have to travel great distances by costly systems of transport and are therefore very expensive.

• *Gaboon Republic*—A dense forest of tropical hardwoods covers the Gaboon and it has become a major lumber producer. It is the home of the famous okoumé, of limba, mahogany and ebony. Logs, plywood and veneers make up about three-quarters of the exports of the Gaboon and 40 per cent of the total exports of the four countries (7,780 million fr. CFA in 1958). This industry is supervised by l'Office des Bois de l'A.E.F. The other commercial crop is cocoa. Cattle breeding has been introduced but the tsetse fly is still a problem.

Gold, iron, manganese, uranium, potassium and diamonds have all been discovered and are being exploited, but oil is the most important export mineral thus far. (See the article following.) Minerals have attracted more foreign investment than any other type of industry.

Investment in Area

The Office des Changes is in charge of all financial transactions for the republics, including foreign investment. French and local capital may participate in enterprises up to 100 per cent but foreign capital may only participate up to 49 per cent. However, if the development is large enough and of sufficient benefit to the country, foreign capital may participate up to 100 per cent, subject to permission from Paris.

Foreign investment is still largely limited to the Gaboon where timber, oil and metals have proved attractive. However, with the building of the Kouilou hydro-electric development in the Republic of the Congo, the expected abundance of electricity is creating interest in establishing metallurgical processing and associated industries.

There is no local capital for resources development and the Republics still depend largely on French assistance and encouragement. Even in the Gaboon, the richest of the four, expansion is really only beginning.

Foreign Exchange

In the past, mainly because of the exchange difficulties of the franc, French Equatorial Africa has not carried on much trade with Canada. Imports were paid for out of EFAC funds—a French import system under which funds derived from exports to the dollar area may, under specific circumstances, be used for dollar imports. These funds are no longer available, but dollar purchases are now possible through the dollar purchase program, compensatory transactions (private barter deals), or dollar credits in lieu of EFAC funds. No imports have yet been liberalized but import quotas have been established for certain goods from France and Western Europe. The external trade of the republics is directed by France through the Service du Commerce Exterieur of the Haut Commissariat at Brazzaville, and its branches in each country.

Foreign Trade Analyzed

The foreign trade of the republics is dominated by France, who continues to be the principal trading partner, as the tables below demonstrate.

Sources of Imports into French Equatorial Africa

	1958
France	$52,400,000
West Germany	8,400,000
United States	2,400,000
Netherlands	2,200,000
Nigeria	2,000,000
United Kingdom	1,880,000
Others	10,320,000
TOTAL	$79,600,000

Destinations of Exports from French Equatorial Africa

	1958
France	$ 71,600,000
United States	7,600,000
West Germany	4,600,000
Belgian Congo	4,480,000
Netherlands Antilles	4,400,000
United Kingdom	3,520,000
Others	21,640,000
TOTAL	$117,840,000

All Canadian dollar figures are based on fr.250 CFA to the dollar.

The deficit in the balance of trade of $38.2 million with no balancing earnings from exports of services underlines the dependence of French Equatorial Africa on a steady and substantial flow of external capital to meet current needs. To some degree the high level of imports reflects the demands created by capital investment. Imports increased between 1957 and 1958 from 26.1 to 29.5 billion francs CFA, despite a decline in volume and, to a lesser degree, in value of capital goods imported. For instance:

	1958 (tons)	1957 (tons)	1958 ('000,000 fr.CFA)	1957 ('000,000 fr.CFA)
Cement	72,055	91,890	537	708
Asphalt and bitumen	2,585	4,825	60	75
Machines and parts	6,710	15,800	2,910	3,570
Metal products	8,800	14,400	825	1,085

There are no barriers to trade between the Republics but there is also no statistical information on the distribution of imports among them. It is probably uneven. Exports can be classified by territory of origin:

	In 1958—
Gaboon Republic exported	1,089,000 tons valued at 8,370 million CFA
Republic of Chad exported	69,000 tons valued at 5,170 million CFA
Central African Republic exported	27,000 tons valued at 3,400 million CFA
Republic of the Congo exported	215,000 tons valued at 2,950 million CFA

The year 1958 proved even better than 1957 which itself achieved a record. The combined import/export tonnage was 1,833,000 tons and the value 49.3 billion fr. CFA, or increases of 23 and 19 per cent respectively.

The increase in export volume came almost entirely from shipments of crude oil. The increase in value reflected improved prices for agricultural and forest products.

	1958	1957	1952
Tonnage	1,400,000 tons	1,051,000 tons	356,000 tons
Value	19,900,000,000 fr.	15,400,000,000 fr.	10,200,000,000 fr.

Leading Exports

Wood and wood products formed 39 per cent of all exports in 1958, and were valued at 7.8 billion fr. CFA, up 18 per cent over 1957. Coming mainly from the hardwood forests of the Gaboon these included:

	(in fr. CFA)
Okumé logs	4,485,000,000
Other logs	1,665,000,000
Veneers and plywoods	1,245,000,000
Sawn lumber	385,000,000

The wood-products industry has progressed steadily. In 1953 total output stood at 400 thousand tons valued at 3,300 million francs; in 1958 production totalled 825 thousand tons valued at 7,800 million francs, CFA. Next to wood comes cotton, formerly the most valuable commercial crop in this region. Last year it provided 30 per cent of all exports, valued at 5,920 million francs CFA, an increase of 1,530 million over 1957, thanks to better prices during the year. In 1953 cotton exports were valued at only 3,560 million francs. At the beginning of this year, however, prices were down once more.

Crude oil is the most recent and most spectacular contributor to exports. Beginning in 1956, oil exports rose to 143 thousand tons in 1957 and 450 thousand tons in 1958 (valued at 1.5 billion francs CFA), more than all mineral exports in 1947 and 70 per cent of the total in 1958. Other minerals were affected by the price decline in world markets. Exports of minerals, excluding petroleum, fell in value from 706 to 647 million francs. Gold, diamonds, lead and smaller amounts of manganese, tin, tungsten and natron are included in these figures.

Exports of animal products rose from 700 to 800 million francs, mainly because of increased sales of meat, chilled and on the hoof, and hides and skins. Salt fish from the Chad sold to Nigeria also contributed to this advance. Agricultural exports (cotton excluded) were valued at 2.35 billion francs CFA, 12 per cent of all exports. Of this total, coffee and cocoa made up more than half—at 1.4 billion francs, up 490 million in 1957. Vegetable oils of all types were down 90 million to 750 million francs. Rubber and Chad gum remained at 55 and 12 million francs respectively. Tobacco fell to 48 from 66 million. Sisal and jute fibres, however, doubled in volume and rose in value to 93 million francs. Banana exports doubled, but only reached 1,000 tons valued at 25 million fr. CFA.

This survey of 1958 exports illustrates the dependence of the economy of the four republics on exports of raw materials, some of which can be produced elsewhere at lower cost and which are for the present in world surplus—cocoa, coffee, cotton, lead, crude oil, etc. French purchases serve as a cushion against the fluctuations of the international commodity markets.

Trade with Dollar Countries

In 1958 $1.9 million U.S. was allotted for dollar purchases, distributed as follows: (all prices F.O.B.)

Petroleum products	$1,718,000
Unmanufactured tobacco	60,000
Electric refrigerators (including parts)	82,000

Actual expenditures came closer to $10 million U.S., mostly used for capital goods and oil (from the dollar area), some of which was paid for in sterling or Belgian francs.

Imports from the United States were valued at 1.9 billion fr. CFA. Of this, one billion was used for capital goods and some of the remainder for dollar oil. Petroleum from Venezuela was valued at 285 million fr. CFA. The Netherlands Antilles was an important source of refined petroleum products, although these imports decreased slightly in value from previous years.

Trade with Canada

Trade with Canada has not been large thus far. It is difficult to obtain precise figures on imports and exports from French Equatorial Africa because so many items are exported to France for further processing and re-export or are imported via France. Canadian statistics do not give separate figures for these territories. However, Canada does not figure among the 17 most important exporters to or the 14 most important importers from this area. In 1958 direct imports from Canada consisted of:

Product	CFA francs
Drilling equipment	1,474,200
Trucks under 10 tons	752,600
Electrical apparatus	714,900
Printing machinery	185,886
Measuring instruments and equipment	131,000
Vehicle spare parts	122,800
Other	1,658,419
TOTAL	5,039,805

or, at 250 francs CFA to the Canadian dollar, a total of $20,159.62. Bearing in mind the comments made above, the value of these statistics is only relative. The trade with Canada is certainly not large. Dollars are strictly rationed and an import licence is required for all imports.

Gaboon Gets World Bank Loan

Development of the extensive high-grade manganese deposits, said to exceed nine million tons and located in the interior of the Gaboon Republic, has been assured with the announcement that the World Bank will loan $35 million to Compagnie Minière de l'Ogooue (COMILOG).

The loan will help finance the purchase of equipment, the building of a 45-mile cableway, and construction of a 180-mile railway linking the ore deposits with the Congo port of Pointe Noire. First contracts for building the railroad have already been let and construction is expected to be completed by mid-1962. Initial production has been forecast at 500 thousand tons a year.

The bank loan is for a term of 15 years and has been guaranteed by France, the Republic of Gaboon, and the Republic of the Congo.

Gaboon Becomes Major Producer

. . . of oil, from fields discovered only three years ago, now yielding close to three-quarters of a million tons a year, and still stepping up output.

R. A. BULL,
Assistant Trade Commissioner, Leopoldville.

OIL production in the French Community during the first month of this year rose 50 per cent over output in January 1958—or from 158 thousand to 237 thousand tons. How was this increase divided? Output in France itself remained constant at 115 thousand tons and the Saharan oilfields, much in the news, stepped up production from 10,000 to 58,000 tons. And the Gaboon Republic produced 52,500 tons—or double the figure for January 1958.

The importance of the Gaboon output can be more clearly illustrated by another comparison. Oil production for all Africa south of the Sahara in 1957 reached 400 thousand tons. Last year the Gaboon alone produced over 500 thousand tons, largely from the Port Gentil fields, discovered in January 1956. (Saharan output, it should be noted, is now rising rapidly, with pipelines and rail deliveries to Philippeville, and is expected to reach 1.6 million tons for 1959.)

The presence of oil in the Gaboon has long been known. Explorers describe native canoemen caulking their pirogues with pitch from the seepages at Lake N'Kogho. An 1894 survey on the geology of the French Congo listed many such seepages and later surveys confirmed them. Studies between 1925 and 1929 defined the probable oil basins and the Government organized the Mission de Prospection des Pétroles, reserving to it all oil-exploration rights. After the war, gravimetric and seismic surveying preceded the sinking of the first well in 1948 near Lake Azingo in the Gaboon. To continue exploration and push exploitation, a limited liability company, La Société des Pétroles d'Afrique Equatoriale Française (SPAEF), was created. The stock was held by such French development organizations as the Compagnie Française des Pétroles and the Caisse Centrale de la F.O.M. SPAEF was given exclusive rights in the coastal regions of the Gaboon and Middle Congo. In January 1956 a drilling rig sounding one of a number of salt domes, that of Ozouré, brought in a well flowing at 20 cubic metres an hour. In July of the same year the Pointe Clairette field by Port Gentil was located. Progress since has been rapid. A storage terminal was built at Cap Lopez with an offshore pipeline for loading tankers, gathering lines were laid on, and in April 1957 the first cargo of crude from the Gaboon was delivered at Le Havre. Since then, other fields have been found at M'Bega, Animba, Cap Lopez, Alewana, Tchangué, (all on the Ile Mandji in the delta of the Ogooué, which shelters Port Gentil in the Gaboon) and in the Congo at Pointe Indienne, north of Pointe Noire.

Foreign Companies Interested

To achieve this success SPAEF had by the end of 1957 invested 13,000 million of its total capital of 15,000 million CFA francs and was employing 3,000 people, most of them African.

Although it retains control of existing facilities SPAEF, to enlarge its activities, has been discussing joint exploration and development projects with Mobiloil and Shell. The Mobiloil agreement, which is farther advanced, will involve the spending of 16,000 million CFA francs by 1965, of which 5,000 million will come from SPAEF. These agreements will allow SPAEF to expand without having to increase its capitalization or assume additional obligations. Liabilities will be met from the sale of oil, which should reach 750 thousand tons in 1959 and exceed a million tons by the end of 1960. This means from present sources alone, and not including what may be developed by the associated partnerships.

SPAEF has been assured of no increase in taxation for 25 years and taxes will be so regulated that the company will retain at least half its annual profits.

Oil exploration in the Gaboon is not easy but SPAEF is provided with capital and guaranteed the retention of its concession. Markets are being sought outside the French Union although as yet no oil has been exported outside the franc zone.

Refined Products Imported

Exports of crude oil from the Gaboon rose from 143 thousand tons in 1957 to 480 thousand tons in 1958, from 3 to 8 per cent in value of all exports from the four countries of French Equatorial Africa. There are no refining facilities in this part of Africa yet and all finished petroleum products have to be imported—147,190 tons in 1958, 7.2 per cent by value of the area's total imports. The value of petroleum imports thus still exceeds the value of oil exports. But development is rapid and 1959 should see the Gaboon become a net exporter of petroleum products. •

Commodity Notes

Aluminum

NORWAY—The new aluminum works in north Norway, Mosjøen Aluminium A/S, has installed 16 new smelting furnaces that will boost annual output from 22,000 tons to 25,000. The new furnaces are expected to go into operation almost immediately. Further plans are under way for the installation of another 32 smelting furnaces which should increase output to 30-32,000 tons a year by 1962—Oslo.

Automobiles

PERU—In 1958 Peru imported 4,506 automobiles and trucks from 47 companies. Imports by type, in order of importance, were: Chevrolet 976 units, Ford 735, Volkswagen 383, Mercury 307, Dodge 172, Simca 158, Opel 128, Plymouth and Pontiac 114 each, English Ford 109, and Buick and Peugeot 100 each. Imports of the remaining 35 types of cars totalled less than 100 units each.

During 1958, 3,499 trucks from 37 companies were purchased from abroad. In order of importance they were: Ford 1,647 units, Chevrolet 798, GMC 287, International 159, De Soto 71 and Dodge 57. None of the remaining manufacturers sold more than 50 trucks to Peru.

A total of 160 buses of eleven different types were imported—Mercedes sold 52, White 50 and Volvo 17 —Lima.

Cocoa

JAMAICA—The Jamaica Cocoa Industry Board has earmarked £750 thousand for an expansion scheme that includes setting up nurseries on the island; the Board is currently spending £200 thousand on fermentaries and warehouses. The quality of Jamaican cocoa is rated so high that demand from foreign markets cannot be met—Kingston.

Coffee

COLOMBIA—The Colombian Coffee Growers Federation will finance Colombian coffee sales promotion offices in several capitals of European countries, including London, Paris, Madrid and Moscow. The Government is trying to improve the coffee market and to sell more coffee beans, possibly bartering them for machinery and other products that Colombia needs urgently—Bogotá.

Copper

CHILE—The El Salvador copper mine of The Andes Copper Mining Company, wholly owned by the Anaconda Company of the United States, opened late in April. The company estimates its ore reserves at 375 million tons with a copper content of 1.6 per cent. Annual production is expected to reach 100 thousand tons—Santiago.

Electrical Appliances

FRANCE—The French household appliances industry is reported to be experiencing a recession and several large companies have cut production. Refrigerator sales in 1958 totalled 450 thousand units, down 20 per cent from 1957; washing-machine sales, at about 500 thousand units, fell by 15 per cent from the preceding year, and sales of vacuum cleaners and electric ranges dropped an estimated 25 to 30 per cent.

A recent factor limiting the growth of the appliance market has been unfavourable credit terms. Sales taxes on appliances, both imported and manufactured in France, amount to 23 per cent of the value (25 per cent on electric ranges). On imports, they are levied on the duty-paid value. Despite the recent setback in sales, the market potential for electrical appliances in France remains strong. Market saturation for vacuum cleaners is only 20 per cent, for washing machines 17.7 per cent, and for refrigerators 17 per cent. Imports of these three appliances from all sources are restricted —Paris.

Hydro-Electric Power

COLOMBIA—The World Bank has granted two loans to Colombia for development of hydro-electric power. The sum of US$12 million is to be used for building a power plant with a capacity of 96,000 kw. and a reservoir with a capacity of 32 million cubic metres in Bogotá. Another loan, totalling US$10.5 million, is to

71769-4—3

go towards the expansion of electric power services in Medellín.

Empresa Colombiana de Petróleos is financing the building of a hydro-electric plant on the Sogamoso River that will have a capacity of 100 thousand kw. This will supply electricity to the province of Santander del Sur, including the Barrancabermeja oilfield—Bogotá.

Nuclear Reactors

FRANCE—Electricité de France, the government-owned electric power monopoly of France, plans to invest about US$64 million in nuclear-power reactors between 1956 and 1961. The investment is expected to yield 800 thousand kw. of installed capacity.

Cost of EDF-1, the reactor now under construction at Chinon in the Loire Valley, is estimated at fr.15 billion, of which fr.4.5 billion is for heavy steelwork and boilers, 3 billion for engineering, 1.5 billion for electronic equipment, 1.5 billion for mechanical equipment, and 4.5 billion for other costs—Paris.

Oil

NEW ZEALAND—The New Zealand Government has authorized the Shell group to build an oil refinery to produce gasoline and other petroleum products which are now entirely imported. The Government requires that 40 per cent of the £20 million capital be raised in New Zealand. Construction will begin when a site has been chosen and the plant is expected to be in production in about three years—Wellington.

VENEZUELA—The Ministry of Mines and Hydrocarbons has reported that Venezuela's proved oil reserves at the end of 1958 totalled 17,177 million barrels, compared with 15,592 million barrels in 1957—Caracas.

Paper Milk Containers

VENEZUELA—The International Paper Company of New York City has joined with Venezuelan interests to form a new corporation to be known as Envases Internacional S.A. The company will make Pure-Pak milk containers, under licence from Ex-Cell-O Corporation, for sale in Venezuela—Caracas.

Refrigeration Equipment

PERU—The Peruvian representatives of the Worthington Corporation of the United States are predicting a substantial expansion in the market for commercial refrigeration equipment in Peru. They feel that within five years the market will expand 100 per cent and that by 1970 demand will be 200 per cent greater than today. This prediction is based on expected growth of the Peruvian meat and fishing industries. The Worthington representatives also reported that Peruvians, particularly in business and industry, are regarding air conditioning less and less as a luxury—Lima.

Shirts

JAMAICA—A new shirt factory being built in Kingston represents a capital investment of about £100 thousand. It will operate under the Export Industry Encouragement Act and make shirts and pyjamas for export only. The factory is expected to employ 300 persons—Kingston.

Steel

COLOMBIA—The Colombian steel company, Siderúrgica de Paz del Rio, has signed a contract with Koppers Company of Pittsburgh for enlarging its plant. The expansion, which will include increasing coke production and building a rolling plant for steel sheeting, will be financed by a loan from the World Bank. The improvements will enable Paz del Rio to boost output by 50 per cent—Bogotá.

Engineering Opportunity

The Empresas Publicas de Medellin, an autonomous public agency that provides power, telephone, water and sewage services in the Medellin area, has received a World Bank loan of $12 million for a new hydro-electric project. When completed, the project will provide an additional 96,000 kw. for Medellin and neighbouring towns in west-central Colombia.

The Medellin area is highly industrialized but a shortage of power has hampered expansion. The first phase of the development program will include the diversion of the Concepcion and Tench Rivers into the Gaudalupe to increase its flow; building of the Troneras earth-fill dam on the Guadalupe to create a reservoir with a useful storage capacity of about 32 million cubic meters; constructing a power plant at the foot of the Troneras dam to be equipped with a 16,000-kw. generator, and putting up a second power plant to be known as Guadalupe III, equipped with two 40,000-kw. generators. Also included in the project are transmission lines to connect the new plants with present ones and with the city of Medellin, and extension of the distribution system in the city. Funds from the World Bank will also be used to finance preliminary engineering studies for the power projects to be built on the Nare River as the second phase of the program.

Will Argentina Buy Our Seed Potatoes?

Canadian seed-potato growers face a changed market situation because of disappearance of many former Argentine trade restrictions.

What is the outlook for 1959 sales?

Should contacts be made now?

G. E. BLACKSTOCK,
Assistant Commercial Secretary, Buenos Aires.

CANADIAN certified seed potatoes have a solid reputation in Argentina. Potato growers here have been using them for a great many years and indications are that in 1959 interest in them will be greater than ever.

Until this year, imports of seed potatoes into Argentina in general and from dollar countries in particular were hampered and restricted. Import/exchange permits were required and the Central Bank did not release foreign exchange with which to buy seed potatoes until the Ministry of Agriculture issued "certificates of necessity". These certificates specified the varieties that could be imported, the amount and origin of each variety, and the exchange rate—either free or official or a combination of the two—at which the Central Bank would sell the necessary foreign exchange. A chronic shortage of dollars in Argentina caused European suppliers to be favoured because of the relatively greater amounts of soft currencies available. The practice of the Government, the only legal importer of seed potatoes from 1942 onwards, of calling for tenders for seed potatoes from abroad and then selling to brokers and agents, only discontinued after 1956, also helped to make sales complicated.

Situation Now Changed

All of this has changed. The Government is no longer the importer, there are no more import/exchange permits or "certificates of necessity", dollar imports are no longer at a disadvantage, the official exchange market has been done away with, and foreign exchange of all kinds is freely available at the current rate. When the Government abolished all import restrictions at the beginning of this year, it introduced a series of "import lists". The items in each list are surcharged by a specified percentage of the c.& f. value. Certified seed potatoes appear on the list calling for a 20 per cent surcharge ad valorem and are exempt from previous deposit requirements. Forces are reported to be at work trying to get this surcharge removed and this of course would help imports. The value of the peso has been dropping sharply in recent months and with the abolition of the official exchange market, which allowed importers to buy at artificially low rates, foreign exchange (which has to be bought at the going rate) is becoming more and more expensive. Now, all foreign currencies are at least on an equal footing. The premium on the Canadian over the U.S. dollar is the only relative disadvantage for Canadian exporters.

The price of table potatoes has been fluctuating. At one point it was reliably reported that some lots of potatoes that were being held back here for seed were sold for table stock at a price high enough to make it profitable (it appeared at that moment at least) to buy new imported seed. Rumours are that possibly large quantities of table stock will have to be imported. Nothing will be done about this, however, until the Government makes some move either to act as the importer itself or to include table potatoes in the import list that calls for no surcharge, or at least in a list with a low enough surcharge to make such business profitable for importers.

Effect of Potato Harvest

The situation is therefore changing all the time with the changes in the value of the Argentine peso and in the local prices of table potatoes and as the results of the potato harvest now going on become known. The second estimate of production of semi-late potatoes, published toward the end of May, is 1,010,700 tons, almost exactly the same as last year but 13 per cent above the 1948/49-57/58 production average. However, it is reported from a very reliable but unofficial source that fully 25 per cent of the semi-late crop (which usually includes 75 per cent of the total potato production in Argentina) will not be fit for human consumption because of late blight that hit the crop hard following the heavy rains during recent months. If this should prove to be true and domestic prices of table potatoes should rise to the point where—the

71769-4—3½

prices of imported seed potatoes at the moment being considered—it becomes profitable to sell domestically produced seed potatoes for table use, replacing them with imported seed, then demand for imported seed could be very large indeed.

Canadian Prospects Improved

Last year a large proportion of Argentina's seed potato imports of some 120 thousand bags came from Europe and thus could be paid for in soft currencies. The failure of some of last year's lots to live up to expectations was not necessarily or entirely the fault of the seed; late arrival and bad weather after planting were important factors. But some importers believe that the effect, nevertheless, will be to swing demand heavily in favour of North American seed potatoes this year. This is believed to be true in spite of the fact that in recent years the Government has been discouraging seed-potato imports from any source more often than every other year. This was partly done to save foreign exchange. Coupled with the fact that, for the first time in many years, seed potatoes payable in dollars will compete on an equal footing with those payable in other currencies, this increased interest in seed from North America means that the prospects for Canadian certified seed should be better than ever, provided Canadian prices are competitive with those of other supplying countries. Canadian exporters have been able to offer competitively in the past and it seems especially important to do so again this year. They should also take particular pains to offer the best seed and the best service possible. The more Canadian seed sold in Argentina this first year of what is expected to be a newly expanded market, the easier it will be to sell Canadian seed in the future.

At present importers seem to be convinced that the way will have to be opened by one means or another to allow for imports of between 200 thousand and 400 thousand bags, probably mostly Kennebecs with a few Katahdins and, because of a very good White Rose seed crop here, probably only very small amounts of that variety. Last year certificates of necessity were approved for a total of only 120 thousand bags and the year before the amount was about the same, although growers would have bought twice these amounts or perhaps more if the Government had allowed them to be imported. A heavy demand this year would therefore be partly an accumulated one.

Will Surcharges Remain?

A reliable report recently received, based on unofficial government contacts, predicts that the 20 per cent import surcharge on seed potatoes will not be dropped and that table potatoes will not be imported until after rising domestic prices for table stock, caused by a shortage, have induced growers to sell for table use potatoes now reserved for seed. In other words, the Government would prefer to see new seed potatoes rather than table potatoes imported, although on June 22 it was announced briefly in the press that the Government has begun a study of the possibilities of abolishing temporarily all surcharges on imported table potatoes. So far nothing is known of the reasons for this move at this particular moment and it does not necessarily mean that surcharges on table potatoes will be abolished—at least not right away.

The position at present is that the Government, by carefully watching the changing domestic supply and demand for both table stock and seed, should be able to regulate or set the amounts of table stock allowed to be imported. The total will probably be set at a point where a fairly adequate supply would prevent prices from settling at extremely high levels but would also keep them from going down to the point where growers would cut down on plantings by not replacing with new imported seed the seed they had sold for table consumption. What is really unknown in this equation, even to the Government, is what the peso-dollar exchange rate will be at any given point during the period when seed imports would be made. Up to the end of 1958 the Government was able to counterbalance any fluctuations in the free market exchange rate by using the fixed official rate or combinations of the official and free rates. Since the first of this year, however, with the abolition of the official market, this has no longer been possible because the free rate is the only one. One importer who has been handling Canadian certified seed potatoes for years thinks that the volume of seed that will be imported will depend largely on the peso-dollar exchange rate. At 80 pesos to the dollar he thinks he would sell a certain amount, at 75 substantially more, and at 65 probably a record volume. At present (June 26) the peso is quoted at about 90 to the dollar after having been well over 100 a week or ten days ago.

Importers Are Optimistic

Most importers, considering all the unknowns, are optimistic. They are keeping a close eye on developments, but none of them is yet making any commitments or firm predictions. Most of them feel that it is not too early for foreign certified seed potato suppliers to be advised of the situation as it stands in order to be prepared for orders from Argentina that may be substantially larger than in recent years. Canadian exporters should contact their agents (if they are already represented here) to keep abreast of developments and to lay the groundwork for doing business later in the year before Argentina's November planting season. Any Canadian seed-potato exporters who want to and who could participate in this year's Argentine business and who are not already represented in this country should contact the Commercial Counsellor's office at the Canadian Embassy in Buenos Aires as soon as possible, if a suitable agent is to be found in good time. ●

Pepper plantations like this one have been hard hit in the last few years. Disease attacked the vines, workers deserted for other industries, and world prices for pepper dropped. But the Sarawak Government is taking steps to restore the pepper industry to its former position as a major earner of foreign exchange.

Sarawak's Pepper Industry

SARAWAK is Canada's number two source of pepper, out-ranked only by India, and this British Borneo colony would like to supply more of the approximately three million pounds of pepper we use every year. To date the Sarawak producers have done remarkably well; they have built up their industry practically from scratch within the last seven years. At the outbreak of World War II, Indonesia (then the Netherlands East Indies) was almost the only significant pepper exporter in the world, and controlled 85 per cent of the trade. Lampong Black and Muntok White are well known names to Canadian food brokers and spice dealers. When the Indonesian archipelago was taken over by the Japanese during the war, the famous Malabar peppers of India moved into first place. At the outbreak of the Korean War low stocks and big demand sent prices soaring. By the peak of the Korean boom (1951-52), Sarawak had planted millions of pepper vines. Two years later its harvest hit the market in volume, and sales soon approached those of India and Indonesia.

Problems

Between 1954 and 1956 the world's stock of pepper doubled and prices fell sharply. Nevertheless, exports from Sarawak continued to rise, reaching 20,000 tons in 1956. But telling blows were affecting this by now major Sarawak industry. The colony's small and relatively expensive labour force deserted pepper for timber, oil and rubber. Some pepper gardens were abandoned, others neglected. Yields, up to that time among the best in the world, dropped. With the situation already serious, foot rot attacked the vines. By 1957 exports had dropped to 14,000 tons, by 1958 they totalled less than 10,000 tons. Only 105 applications were made for pepper lands in 1957, compared with 312 in 1956 and 431 in 1955.

Remedies

The Government then began working to restore this once spectacularly successful industry. An advisory committee was set up to study the marketing and production of pepper and last April it tabled its report. Already the Government is acting on its recommendations. A pepper agronomist is now in Sarawak to help revamp pepper husbandry, plant pathologists are studying the diseases afflicting the vine, and the Tropical Products Laboratory in London has been asked to see whether the design of the drying houses can be improved. (If the pepper is not thoroughly dried before it is sold, the quality deteriorates.) Literature describing the best methods of preparing both white and black pepper has been circulated to growers. Market analysts have suggested that the Government encourage sales direct from Sarawak and avoid sales through Singapore. During the first six months of 1958, more than 70 per cent of the pepper was exported through Singapore; Canada buys most of its Sarawak pepper this way. Now that its problems are being faced and tackled realistically, the pepper industry should continue to earn large amounts of foreign exchange. •

B. C. STEERS, *Assistant Trade Commissioner, Singapore.*

Export Credits Insurance Act Amended

Parliament recently approved amendments to the Export Credits Insurance Act, first passed in 1944. An executive of the Corporation explains these amendments and how they will benefit the Canadian exporter.

A. W. THOMAS, *Assistant General Manager, Export Credits Insurance Corporation.*

RECENT amendments to the Export Credits Insurance Act have again focused attention on the operations of the Export Credits Insurance Corporation. Readers of *Foreign Trade* will no doubt be interested in an explanation of the intent and purpose of these amendments, and in an up-to-date review of the Corporation's activities.

Statutory Authority

The Export Credits Insurance Corporation operates, as its name implies, as an insurance company. It insures Canadian exporters against certain risks of loss that prevent an exporter from receiving payment from foreign buyers. The Corporation is a Crown Company and operates under the Export Credits Insurance Act passed in August 1944. The preamble to the original Act read: "Whereas, it is desirable to promote the revival of trade by establishing a Corporation to insure against loss caused by insolvency, delays in collection and transfer difficulties in connection with the export of Canadian-produced goods . . .". From the time the Export Credits Insurance Act was enacted in 1944 it has been amended more than once, mainly to bring legislation into line with changing conditions and to enable the Export Credits Insurance Corporation to meet demands upon it for additional facilities. Like all resilient and growing organisms, credits insurance must adapt itself to the particular market it has to serve and try to answer the new calls made upon it.

The most recent amendments to the Act empower the Corporation, when authorized by the Governor in Council:

(a) to give direct guarantees to banks and other lenders

(b) to purchase a guaranteed instrument

(c) to lend money to the holder of a guaranteed instrument

(d) to sell a guaranteed instrument to any person.

Insurer, Not Banker

The role of the Corporation is that of an insurer and not that of a financial institution such as a bank. It insures exporters against non-payment due to certain risks as set out in its policies. It does not finance any export transaction. However, any exporter who has an Export Credits insurance policy generally has no difficulty in financing his normal export sales through Canadian banking channels. The Corporation provides insurance both to exporters of consumer goods sold on short credit terms and of capital goods where payment terms may be spread over a number of years. In addition, the Corporation is empowered to insure Canadian firms against non-payment covering engineering, construction, technical or similar services performed abroad. This government-operated insurance plan does not in any way subsidize the exporter because he pays an appropriate premium for the insurance protection and still has to compete in the markets of the world on the basis of quality and price.

The Export Credits Insurance Corporation is not a banking institution. As already mentioned, the Corporation is an insurance company and should therefore be distinguished from a banking institution such as the Export-Import Bank of the United States—which, conversely, is not an export credits insurance organization. The Export-Import Bank of the United States lends money to foreign countries to assist in their economic development programs. The Export Credits Insurance Corporation insures suppliers' credits against risks of non-payment by foreign buyers.

History of Export Credits Insurance

Export credits insurance is available to exporters in most major exporting countries. It had its origin some forty years ago when the British Government instituted a provision for export credits insurance. It was later introduced in many European countries and was recently made available to exporters in such countries as Australia, India, Israel and South Africa. A few years ago a speaker at the 25th anniversary of the International Credit Insurance Association bracketed credits insurance with the bill of exchange as "one of the few original ideas that has appeared in the realm of financial technique". This remark is not as far-fetched as it might appear, though it compares a surprisingly old and a relatively young member of the

financial family. Export credits insurance is a fast-growing member of that wider family. It applies the principles of insurance and the law of averages to the cover of foreign accounts receivable and the consequent risks of non-payment by the debtors.

Section 21 of Act

The Canadian Export Credits Insurance Corporation operates along lines similar to those of export credits insurers in other countries. It works on the basic principle of a broad spread of risk and in considering applications for insurance exercises reasonable prudence. Normally it does not take on liabilities in any one foreign country which may be too great in relation to the Corporation's capital or in relation to the credit standing of the importer or of the importing country. Although it is extremely difficult to determine the precise amount to which the Corporation should commit itself in any one market, the policy has been to endeavour to limit the amount of risks underwritten in any one country at any one time to something in the order of $5 million. Once the Corporation's liabilities in any particular country approach this figure, if an additional substantial amount were proposed by an exporter, this could be referred to the Government for consideration under Section 21 of the Act. In such a case the Board of Directors of the Corporation would express the opinion that the insurance would impose on it a liability for a term or an amount in excess of that which the Corporation would normally undertake in relation to any one contract, exporter, commodity or country. If the transaction is deemed to be in the national interest, the Governor in Council may authorize the Corporation to insure under Section 21 of the Act. Under Section 21 the Corporation may issue policies of insurance up to a maximum liability of $200 million in the aggregate. Risks underwritten under Section 21 are for the account of the Government and the Corporation merely acts as the Government's agent in administering policies of insurance. Any losses that might arise under such policies would be paid by the Government out of the Consolidated Revenue Fund.

Credit Terms

In considering terms of payment for particular goods, the Corporation is constantly in touch with export credit terms being offered by exporters in other countries. This is accomplished through its membership in the Berne Union. The Union is an organization of export credits insurers representing most of the major exporting countries and provides a forum in which the export credits insurance protection of member countries can be reviewed and kept in line with one another. Mr. Hugh T. Aitken, president and general manager of the Export Credits Insurance Corporation, was recently elected president of the Berne Union for the coming year.

In so far as terms of payment generally are concerned, these should be broken down into short-term and medium-term credits. Short-term credit generally applies to consumer goods and the Corporation is prepared to approve payment terms extending up to about six months, depending entirely upon the commodity involved and its consumability. For instance, the Corporation would not agree to six months' credit for such things as fish and fresh eggs because these are as a rule consumed almost immediately or within a relatively short time after arrival at a foreign port. Medium-term credit is generally applied to capital goods and terms of payment may be extended over a number of years. All Berne Union members have agreed that the credit period for capital goods after delivery to the buyer shall not exceed a maximum of five years. This five-year maximum applies to the heaviest of capital equipment, such as locomotives, etc., and does not apply to all capital goods. Average terms of payment for all capital goods are close to three years.

Recent Amendments

The recent amendments were, in substance, related to Section 21 of the Export Credits Insurance Act and empower the Government to authorize the Export Credits Insurance Corporation to provide the additional facilities previously mentioned for the benefit of Canadian exporters of capital goods.

These additional facilities should materially assist Canadian exporters of capital goods to finance substantial export projects. However, they do not give the Corporation any authority to offer direct financing for export transactions and the Canadian exporter must still arrange for any necessary financing through his normal banking channels. Nevertheless, the provision for the Corporation to give direct guarantees to any lender who finances an export transaction should make such a transaction much more attractive from the financing point of view. In the past, a few exporters have intimated that on some occasions they found banks reluctant to provide the finances required—often because of the amount and sometimes because of the length of the terms or a combination of both these factors. This banking reluctance should now be overcome with the knowledge that the financing of substantial and extended term export projects can have a direct unconditional guarantee by the Canadian Government.

The direct guarantees to banks and other lenders will apply to bills of exchange issued for contracts involving the export of capital goods or services for amounts of not less than approximately $250 thousand and involving payment terms of at least two years. The guarantees are unconditional and will cover the financed portion of the export contract, which should never be more than 80 per cent of the total contract price. Such guarantees will be effective only after the

exporter delivers the goods and the buyer accepts them. The guarantees may be provided in the currency of the contract of sale and such currency would have to be approved by the Corporation.

Guarantees will normally be provided for transactions that would be covered during the preshipment period by an Export Credits insurance policy. The policy would be superseded by the guarantee after the buyer accepts the goods. An important feature of the guarantee provision is that it should permit exporters of capital goods to obtain non-recourse financing from lenders. This arrangement, in turn, will make it possible for such exporters to handle a larger volume of business. In providing unconditional guarantees, the Corporation will be taking on added risks and an appropriate fee will be charged to cover them.

In addition to the provision for guarantees, the amendments to the Act will now permit the Corporation, when authorized by the Governor in Council, to purchase any instrument that it has guaranteed. The Corporation may also, when authorized by the Governor in Council, lend money to the holder of such a guaranteed instrument upon the security of the instrument and it may also sell any such guaranteed instrument to any person.

Corporation's Experience

A review of the Corporation's activities since its inception some 14 years ago shows that it has insured Canadian exports valued at $713 million. Of this amount, $235 million was insured under the authority of Section 21 of the Act.

Claims paid to Canadian exporters number 1,100 and total $9.7 million; these claims arose on exports to foreign buyers in some 35 countries. Over 90 per cent of the claims arose from political factors, such as non-transferability of dollar exchange, cancellation of import licences, etc. Of the $9.7 million paid in claims, $6.7 million has been recovered and a good portion of the $3 million balance should be recovered because the bulk is made up of blocked exchange in certain foreign countries. The result of the Corporation's operations over its 14 years shows an excess of premiums over expenses and claims of only $207 thousand.

Operating Policy

The Corporation has built up an underwriting reserve of $3.9 million, made up almost entirely of interest of $3.7 million on government bonds. The government bonds were purchased out of the Corporation's capital provided by the Government in the nature of a guarantee fund, and interest earned on it is not considered as operational income of the Corporation.

Policyholders are spread across Canada and represent exporters of practically every known exportable commodity including agricultural, vegetable and animal products; fibres and textiles; wood, wood products and paper; iron and products; non-ferrous metals and prod ucts; non-metallic minerals and products; chemicals an allied products, and so on. The annual export volum of individual insured exporters varies from a minimu of about $10,000 to over $10 million. Exports t well over 100 countries have been insured, in th approximate proportions of one-third to Common wealth countries, one-third to Latin American coun tries, and the remaining one-third to all other countries

It has always been the policy of the Government t have the Corporation operate on a self-sustaining basis It was not set up to make profits nor was it to be burden on the taxpayers by losing money and thereb subsidizing export trade. After 14 years the Corpora tion, by carrying out its business on practically a break even basis, has achieved exactly what the Governmen has always had in mind. At the same time, it ha provided a valuable service to Canadian exporters b helping them to expand their sales to existing market and to introduce their products into new ones.

British Distribution Figures Published

Many Canadian exporters who, since June 8, may ship to the United Kingdom without licence formalities for the first time in two decades, might be interested in new statistics on the distribution of their products in this country. The United Kingdom Census of Distribution 1957 figures are just being published. They furnish interesting information by type of trade (e.g dairy and other food products, clothing, furniture, electrical goods, boots and shoes, etc.) of the following kinds: gross retail margin as percentage of turnover number of organizations and establishments of each type; number of employees, paid and unpaid, part and full-time, and total wages and salaries in each category

For example, in 1957 there were 13,784 boot and shoe retail shops (other than members of co-operative societies), of which 5,901 were members of organizations having ten or more establishments. These 13,784 shops had 46,457 full-time employees, paid wages and salaries to these and to 9,594 part-time employees of £20,122 thousand on a turnover of £171,034 thousand. Turnover was 3.8 times the year-end stocks and gross margin was 29.6 per cent of turnover.

Similar statistics will appear in the next few weeks covering commodity sales, mail-order trading, automatic machine trading, self-service trading, and credit transactions of retailers and finance houses.

Canadian firms who would like to have these figures for their own type of product or trade are invited to address inquiries to the Commercial Division, Canada House, London.

Transportation Notes

Australia

MELBOURNE PORT IMPROVEMENTS—A £5 million building program over the next five years will give Melbourne some of the most modern shipping berths in the world. The Government will provide the Melbourne Harbour Trust with £1 million a year for the next five years to continue dock extensions. The first stage of the program is the River Entrance Dock project that will provide four berths capable of handling the larger ships expected to use the port. When completed, the docks will be able to berth 28 ships—Melbourne.

Brazil

MARITIME FREIGHT REGULATIONS—Instruction No. 181, issued by the Superintendency of Money and Credit, consolidates exchange modifications covering maritime freights into Brazil. The main purpose of the ruling is to ease Brazil's foreign exchange burden and facilitate imports by allowing importers to buy exchange coverage for insurance and freight outside the official exchange auctions. Imports receiving preferential exchange treatment must travel in national or nationally chartered bottoms when these are available—Rio de Janeiro.

New Zealand

CAR AND RAIL FERRY WANTED—Worldwide tenders for a new ferry to operate between the North and South Islands of New Zealand will be invited by the New Zealand Government near the end of 1959. It is expected that the vessel, which will be operated by the Railways Department, will go into service early in 1962.

The General Manager of the Railways Department and a representative of the Marine Department have visited Canada (Vancouver), the United Kingdom and the Continent to study the design, operation and administration of modern ferries—Wellington.

Peru

EXPANSION OF CALLAO PORT—The contract for the first stage of the Callao port expansion program has gone to two Lima contractors. The projects include construction of three general-cargo warehouses, maintenance shops and a building to house shipping company offices, stevedoring offices and gear. Design engineers and construction supervisors are Parsons, Brinckerhoff, Hall & McDonald, New York design and consulting engineers, who were engaged in 1956 for the project. No Canadian companies tendered for the contract—Lima.

SHIPPING CONNECTION WITH NEW ZEALAND—In line with their attempts to build up a dairy-products trade with South America, the New Zealand Dairy Products Marketing Commission has inaugurated a direct shipping service from New Zealand to South America. The service will be supplied by conference lines, and will run every two months. The first shipments have arrived in Peru and New Zealand is looking forward to continuing sales of butter, butter-oil and skim milk powder to this country and to other countries on the west coast of South America—Lima.

Portugal

TRAWLERS FOR FAROE ISLANDS—The Government of the Faroe Islands placed an order valued at about Can.$2.2 million with a shipyard in northern Portugal for three trawlers, two of which have already been delivered. The vessels displace 616 tons, will reach a speed of 13.8 knots, and are powered by engines of 1,470 b.h.p. They can stay at sea for 60 days without refuelling—Lisbon.

United States

PAN AM OPENS INDONESIA SERVICE—Effective June 3 Pan American Airlines opened a weekly *Strato-Clipper* air service from San Francisco, California, to Djakarta, Indonesia, via Honolulu, Manila, Saigon and Singapore.

The westbound flight leaves San Francisco Monday, 11.59 p.m.; Manila Wednesday 8.00 a.m.; Saigon, Thursday 12.20 p.m.; Singapore, Friday 5.30 a.m. and arrives in Djakarta Friday at 7.20 a.m. The eastward flight leaves Djakarta Friday 9.00 a.m. and arrives in San Francisco Saturday 9.10 a.m.

Pakistan as the Trader Sees It

Canadian sales opportunities in Pakistan remain limited but may improve as country's problems lessen. New government is striving to attract foreign investment.

D. A. W. JUDD,
Acting Commercial Secretary, Karachi.

ELEVEN months ago, a new Government came to power in Pakistan. One of the first problems that it faced was to stop the drain on the foreign exchange reserves, which were almost depleted. As a first step, all expenditures of foreign exchange were suspended temporarily until the reserves were assessed and accounts centralized. Unused import licences were also suspended; strong measures were taken against smuggling and black-market operations; new policies were devised to encourage the earning of foreign exchange. Prices were fixed for nearly all commodities, both domestic and imported, and these price controls remain in effect. This has helped to reduce the cost of living, a vital factor in a country where the per capita income is estimated at only about $50 a year. Early in 1959 came the announcement of a sweeping land reform to break up the current very large holdings in West Pakistan and divide them among small farmers.

Import and Export Policies

Soon after all import licences were suspended, the Government drew up a list of 174 items for which it would issue new import permits. The list included chiefly metals, heavy machinery, asbestos, chemicals, drugs and medicines, electrical equipment, hardware, newsprint, and road transport. This list was valid until June 30, 1959, when a new one was published covering the last half of the year. Full details are not yet available but it is understood that some 27 new items have been added to the previous list. Among these additions of possible interest to Canadian exporters are firearms, electrical accessories, pressure lamps, and domestic refrigerators. Further information will be given in a later issue of *Foreign Trade*.

At the same time, the Government also set up an export bonus scheme, to give Pakistani exporters more incentive to increase their sales overseas. Under this scheme, the exporter is permitted to keep from 20 to 40 per cent, depending on the commodity, of his foreign exchange earnings. The scheme works like this. The importer receives Bonus Licences for this amount and may use these to import a wide range of goods. This should mean that there will still be a small flow of luxury goods into Pakistan. These licences may also be sold and demand for them will probably be brisk.

Foreign Capital Encouraged

The new Government is definitely trying to attract foreign capital investment, particularly in heavy engineering and chemicals, synthetic distillation of products derived from coal and gas, pharmaceuticals, antibiotics and the manufacture of consumer goods and spare parts. During April 1959, Mr. Mohammad Shoaib, the Minister of Finance who is also a director of the World Bank, made a speech in Karachi in which he said that a new Investment Promotion Bureau would be set up to further investment, both foreign and local. In his speech, the Finance Minister said that the shortage of consumer goods in Pakistan (a country of over 80 million people) is an invitation to investment and that his government's policy is to provide incentive for foreign private investment wherever it can. The previous regulation that no foreign industry could be started here without the participation of Pakistani capital has been rescinded. The Minister also promised that the policy on private remittances abroad, facilities for repatriating money and compensation guarantees would be liberal. There is to be no restriction on remittance of current profits to the foreign investor. Foreign capital in approved industries may be repatriated at any time up to the extent of the original investment. Any appreciation of capital investment ploughed back into an approved industrial undertaking may be treated as investment for the purpose of repatriation.

Finally Mr. Shoaib said that the Government has no intention of nationalizing industries involving foreign investment.

Government spokesmen have also said in public that relief from double taxation will be granted to investors from other countries and that foreign technicians employed in Pakistan under an approved contract will be entitled to income tax relief. It has no intention of making price control a permanent feature of its policy. The rigid price control instituted last year will probably be relaxed as production and supply improve. The Government realizes that tax concessions are an incentive to investment and has declared that they will be forthcoming in the future.

Trade with Canada

Although Pakistan's imports declined slightly last year (to a total of 1,887 million rupees) Canadian sales did not suffer. In fact, Canada's exports to

Pakistan went up to $15.4 million from only $11.4 million in 1957. Both these totals, of course, include shipments made under the Colombo Plan as well as normal commercial exports. Figuring most prominently in exports to Pakistan were steel, automotive products and spare parts, steam locomotives, cranes and derricks, heavy machinery, zinc, electrical equipment, and small aircraft.

Last year Pakistan sold to Canada about $477 thousand worth of goods. Jute, the great staple product of East Pakistan, was the largest single export to Canada and was valued at $208 thousand. Next came various types of sports goods (such as rackets, bats and balls of various kinds) from the growing sporting goods industry in West Pakistan—$61,193. Other important purchases from Pakistan were raw cotton ($41,087), wool ($37,014), monkeys ($28,789), leather gloves ($13,390), and Persian lamb skins ($11,760). The small but flourishing musical instruments industry sent us $675 worth of brass band instruments. (It may surprise some people to know that good bagpipes are made in Pakistan for export!)

Engineering Services

Canadians have been selling services as well as goods to Pakistan. For example, Colombo Plan aid has enabled some Canadian contracting and consulting firms to share in engineering projects now under way in this country. Canadians have thus been able to gain experience and to learn something about working conditions and techniques in Pakistan. Some of these firms have branched out and competed successfully for private and government contracts not connected with the Colombo Plan and they have proved that we can compete successfully and effectively.

There is no shortage of construction projects in Pakistan. In addition to emphasizing agricultural improvement, the Government is also pushing hydro projects, bridge and highway construction, and the setting-up of large industries such as paper mills. Small and medium-sized industries and cottage industries are now receiving high priority and will undoubtedly require machinery and spare parts.

Canadian firms should remember Pakistan if they are making plans for overseas development and when they have officers travelling in Asia.

Tips to Traders

Canadian exporters doing business with Pakistan might keep the following suggestions in mind:

- *Prices:* Government tenders always specify the type of price that should be quoted by Canadian bidders; normally these tenders call for prices either c. & f. or c.i.f. Private tenders in Pakistan normally require c. & f. quotations.

- *Transportation:* There are two main ports in Pakistan—Karachi in West Pakistan and Chittagong in East Pakistan. Karachi has a good natural harbour but its facilities are too limited. Some ships have to wait for a week or more in the roadstead before finding a berth. However, the harbour is being improved.

Chittagong is also a good harbour but it is only since partition in 1947 that it has been used to any extent. Both berthing and unloading facilities are adequate but there is often delay in clearing goods up country because of overburdened railway lines.

There is a second harbour in East Pakistan, the Chalna Anchorage, now being developed. When it is finished, it will have the advantage of its situation much farther inland than Chittagong.

In Peshawar, the capital of Pakistan's North West Frontier Province between Afghanistan and Kashmir, a young lad plies the centuries-old trade of hand-weaving. The fabric on his loom is a patterned cotton for which Pakistan has become world-famous. As an export, cotton comes second only to jute and production this season is expected to total some 1.6 million bales, about 2 per cent higher than the previous year.

Not many ships sail directly from East or West Coast Canadian ports to either Karachi or Chittagong, and goods usually have to be transhipped in Britain or Italy. A few steamship lines do have sailings direct to Karachi. Ellerman and Bucknall maintain a regular service to West Pakistan but if goods are bound for East Pakistan, they usually have to be transhipped in Karachi for the long sea voyage around India and Ceylon to the north end of the Bay of Bengal where East Pakistan lies.

• *Inland Transportation:* In West Pakistan most shipments are made by rail. The North-Western Railway has an efficient and extensive service throughout the whole province. There is only a limited amount of road transport and this is mainly within the area of the Sind Desert, the southwest section of West Pakistan. It is often possible to dispatch goods by road to Hyderabad and Sukkur but very seldom do trucks go farther north or west.

In East Pakistan the East Bengal Railway runs throughout the province, but the fact that it has different gauges on different sections creates a problem. Much of the trade moves by river boats. •

H. J. Horne, for the past two years Commercial Secretary in Karachi, Pakistan, is visiting Vancouver from July 27 to 30 and Winnipeg on August 5. Businessmen who wish to consult him about trade with Pakistan should get in touch with the Department of Trade and Commerce, Vancouver office, or the Winnipeg office of the Canadian Manufacturers Association.

ISRAEL

Citrus Growers Boost Production

Modern growing methods and systematic planting have brought Israel's war-devastated orchards close to prewar production. This year the industry expects to export 9.5 million cases of citrus fruit, worth some $50 million.

C. SWIFT,
Office of the Commercial Counsellor, Athens.

ISRAEL'S citrus fruit growers expect a record postwar harvest of 12.6 million cases (525 thousand tons) for the 1958-59 season. Good growing weather and the maturing of new groves have helped to boost the yield over the average of 11 million cases picked during the last three seasons. With 6.5 million cases shipped between November and mid-March, a new export high of 9.5 million cases was hoped for by the end of April with earnings reaching some $50 million; exports have averaged eight million cases in the past three seasons. Last year, 20 countries purchased Israeli citrus fruit, and earnings from these sales made up one-third of the country's export income that year.

Just over ten years ago many of Israel's fruit groves had been destroyed or abandoned as a result of war and economic crisis. When the State of Israel was established on June 14, 1948, only some 31,000 acres of fruit-bearing orchards remained. Since then, the groves have been rehabilitated and expanded with new plantings to 62,500 acres. The growers are working to attain the prewar acreage of 75,000, and they are well on the way to topping the 1939 output of 20 million cases.

Modern Methods Used

The introduction of modern methods has helped the Israelis to achieve this rapid recovery. Cultivation has been mechanized, a portable sprinkler system is used for irrigation, and new methods of disinfection have been developed to reduce spoilage. Revolutionary changes have been made in packing: this operation is now centralized in some 25 large, mechanized, modern plants instead of the hundreds of small sheds previously used. This has resulted in greater standardization and better appearance of the fruit. Another important development was a basic change in the planning of groves, begun in 1952 when planting was resumed. Because of the high cost of labour and the necessity of reducing costs in all stages of cultivation, plantations had to be as large as possible, preferably thousands of acres in area. Small groves that were comparatively near one another were grouped into single units around a central packing house, and equipment and services, including technical advice, tractors and soil cultivators, spraying equipment, etc., were combined.

Most groves are affiliated for shipping purposes with four co-operative bodies, whose main task is to organize packing. They are gradually enlarging their scope and offering technical assistance in cultivation, pest control, etc. All citrus growers are organized in the government-established Citrus Control and Marketing Board which controls cultivation, supervises picking and packing, is responsible for marketing of all fruit at home and abroad and for securing shipping space, obtains supplies of equipment, packing materials, fertilizers and insecticides, and extends financial assistance to growers.

Marketing Abroad

Distribution of Israeli citrus fruit abroad varies according to marketing procedures in individual countries. Shipments to the United Kingdom, the Netherlands, Belgium and Canada are on a consignment basis for sale by auction. Other European countries and the Soviet Union purchase at fixed prices for the entire season; countries such as Sweden and Denmark buy individual shiploads with prices agreed on before loading. Prices received vary with competition from other citrus exporting countries. Severe frost damage to the Spanish groves three years ago has favoured Israeli fruit in recent years. With the recovery of the Spanish groves competition was expected to be much keener this season. However, latest reports indicate that Spanish citrus fruit exports are lagging because of storm damage and the high prices demanded by growers.

The United Kingdom again this year will be the main market for Israeli citrus fruit, with a total of 3.30 million cases earmarked. The remainder of the 9.5 million cases for export is expected to be shipped as follows:

Scandinavian countries	2.00 million cases
West Germany	1.20 " "
Benelux countries	1.00 " "
France	0.60 " "
Other countries*	1.40 " "

*At least 50 per cent for Eastern Bloc countries.

Exports by species were estimated as follows:

Jaffa oranges (Shamouti)	6.00 million cases*
Jaffa lates (Valencia)	1.90 " " †
Grapefruit	1.20 " " *
Lemons	0.25 " " †
Other species	0.15 " " †

*Net fruit weight per case 90 lb.
†Net fruit weight per case 80 lb.

Rains and storms at the beginning of March have increased to 130 thousand tons (95,000 tons last season) the quantity of culls (fruit unsuitable for export) and this will ensure a good supply of fruit for both the consuming public and the canning industry.

Sales to Canada

The Canadian market—re-entered after the war in the 1954-55 season with 12,000 cases of Jaffas and 3,000 cases of grapefruit and lemons—was allocated 60,000 cases this season (56,000 in 1957-58 and 19,000 in 1956-57) for shipment in January, February and March. There was a possibility that one or more of these shipments would be increased by 5,000 to 10,000 cases. Despite strong competition from Florida and California fruit, Israeli Jaffas (and mandarines), with their smooth appearance, excellent taste and natural colouring, are proving popular with Canadian housewives. Large department stores in Montreal, Toronto and Ottawa are the main outlets. •

Employees in a modern Israeli fruit-packing plant are seen sorting and grading Israel's famous "Jaffa" oranges. The Canadian market was allocated 60,000 cases of these large, smooth-skinned oranges this year, out of a total of some eight million cases of Jaffas destined for foreign consumers. Shipments to Canada by the end of March were valued at about $513 thousand, compared with $277 thousand in the same period of 1958.

United Kingdom Token Import Scheme

Unused Quotas Opened to All Exporters

MANY of the products covered by the United Kingdom Token Import Scheme were freed from control as a result of the recent move by the United Kingdom to liberalize imports from dollar countries. Of the 60 items remaining under control, some twenty will be admitted under "global" quotas as from January 1, 1960. For the remainder of 1959, the scheme will continue for all 60 items, most of which are being consolidated into larger groups, as shown below. These larger groups include a number of items not previously under the scheme.

The United Kingdom Board of Trade allows quotas unused at midyear by participants in the U.K. Token Import Scheme to be made available to other exporters during the remainder of the year. In the following table, the dollar value of quota balances unvouchered at June 30, 1959, is shown beside the commodity group of which it applies.

Balance Available Can.$	Commodity
7,288.00	Canned pork and beans
21,121.00	Bottled fruits, processed for serving with ice cream
4,900.00	Woven wire cloth, gauze, fabric or meshing
9,147.45	Mechanical valves
1,983.00	Watches
340.00	Cutlery, forks and spoons (other than bone manufactures and medical, surgical and dental, veterinary and dissecting instruments), the following and parts thereof: butchers' steels; cuticle clippers and nippers; forks and spoons, wholly or partly of metal; hair clippers (non-electric); knives; manicure sets, other than nail cleaners, nail files and nail polishers; nail clippers and nail pliers; razor blades; razors and shavers, non-electric; scissors, including tailors' shears and pinking shears; secateurs and pruning shears
63,550.90	Textile goods, other than clothing, the following: varnished cambric insulating material; wool tissues; wool, damasks, tapestries and brocades; wool and mohair plushes and other pile fabric; woven fabric or artificial silk, or artificial silk mixed with other materials, except silk; elastic braid; woven cotton piece goods of all kinds; furnishing fabrics of cotton and cotton/rayon mixtures; bed ticking. Made-up cotton goods: quilts, counterpanes and other bed coverings of cotton and cotton/rayon mixtures; embroidery and embroidered articles (other than apparel) of descriptions currently manufactured in the U.K. for the home market, of which the base fabric is wholly or mainly cotton; finished cotton sewing thread; cotton ribbons and tapes; trimmings of cotton and cotton/rayon mixtures; cotton boot, shoe and corset laces and braid; printed or dyed linen piece goods; linen canvas not under 12 ounces per square yard; finished linen thread; jute webbing, damask table linen
163,164.00	Clothing other than stockings and socks, the following: men's and boys' clothing; women's, girls' and infants' clothing of artificial silk; men's and women's outer garments of artificial silk; women's dresses other than silk or artificial silk; underwear of all materials; men's shirts; men's felt hats unlined; women's felt hats; garters and sanitary belts; corsets, girdles and brassieres; proofed clothing
182,505.00	Stockings and socks (including elastic stockings)
106,595.27	Pharmaceutical preparations
279,650.00	Photographic goods, the following: cinematographic cameras and projectors (for 16mm. film or less); photographic paper and cloth, unexposed, sensitized; photographic coated paper not sensitized; films for photographers, photographic plates
13,763.00	Paper, paperboard and cellulose wrapping and manufactures thereof, the fol-

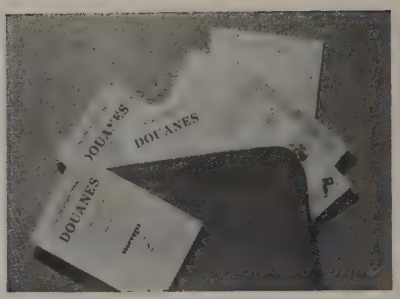
Balance Available Can.$	Commodity
	lowing: paper, paperboard and cellulose wrapping, printed or embossed Paper manufactures, being articles consisting wholly or mainly of paper, of board made from paper or pulp, or of cellulose wrapping, the following: boxes, bags and cartons (other than trunks and other receptacles of material resembling leather, powder boxes and women's handbags); calendars, diaries, stamp and photograph albums and scrapbooks; children's picture cutout and painting books; cigarette papers in booklets; gummed paper tape; handkerchiefs, serviettes, towels (other than sanitary towels) and toilet paper; paper decorations and hats; paper hangings, including lincrusta; photographs (other than press photographs); playing cards of all kinds; postcards, Christmas cards and other greeting cards; printed pictures (other than hand-printed impressions of hand-engraved or hand-etched blocks, plates or other material); printed wrappings; stationery, including carbon paper, stencils, box files and file covers
66,667.00	Sports goods, toys, games, Christmas decorations, and fireworks, the following: appliances, apparatus, accessories and requisites for sports, games, gymnastics or athletics, and parts thereof; model boats; puppets and accessories therefor; toys of all kinds (other than harmonicas containing six or more tuned reeds) and parts thereof; Christmas tree ornaments, other than those of glassware not decorated by cutting (including intaglio cutting), engraving, etching or gold enamelling; Christmas trees, artificial; fireworks and crackers
36,645.00	Stationery and office requisites, the following: fountain pens and parts; propelling pencils and parts; miscellaneous office supplies, the following: telephone indexes; stapler and staple refills, eyeletting machines, filing boxes or filing trays of wood or cardboard; stationery and office requisites and parts thereof, including chalks, crayons, pastels, pencil sharpeners, but not including (a) articles, other than fountain pens and parts thereof, containing precious metal, (b) articles, other than filing devices and loose leaf mechanisms, made of paper or paperboard, and (c) articles made wholly or mainly of glassware decorated by cutting (including intaglio cutting), engraving, etching or gold enamelling.
18,604.00	Imitation jewellery and fancy goods, of the following description but not including articles containing precious metal, or precious or semi-precious stones, or real or cultured pearls, or articles made wholly or mainly of glassware decorated by cutting (including intaglio cutting), engraving, etching or gold enamelling: imitation jewellery, imitation jewellery parts, including bones, seeds, shells and non-precious or imitation stones of a size and shape adapted for use in imitation jewellery; but excluding imitation or synthetic stones (including chatons) not drilled either wholly or in part, suitable only for mounting in settings and cups; articles of coral, marcasite, mother of pearl or tortoiseshell, artificial pearls, not mounted, set strung; beads and bead trimmings and articles manufactured from beads, but not including beads made of glass, including frosted and alabaster glass not otherwise coloured, not facetted and not treated with pearl essence; cameos.

Exporters unfamiliar with the United Kingdom Token Import Scheme who would like information about the use of these balances should get in touch immediately with the U.K. Token Import Scheme Section, Department of Trade and Commerce, Ottawa.

The United Kingdom Board of Trade requires a voucher from this department to accompany a commercial application for a licence to import into the United Kingdom under the Token Import Scheme. These vouchers are not transferable between firms or commodity groups. They can be used to obtain an import licence only for the articles described; shipments must clear U.K. Customs before March 31, 1960.

Inquiries will be dealt with on a first-come, first-served basis after July 28. If requests received to begin with exceed the value of the balance available, priority will be given to applications accompanied by evidence of an existing order for the goods. Otherwise the quota will be divided pro-rata among those able to use part balances.

If after July 28 no competing demands for use of a balance have been received, exporters may, on inquiry, have the use of a credit reserved for them while they explore the possibilities of business. Evidence of orders will be required before vouchers are issued. •



Trade and Tariff Regulations

British Honduras

IMPORT CONTROLS RELAXED—The Acting Financial Secretary, Belize, British Hondurus, has announced that, effective July 1, goods may be imported from the dollar area under Open General Licence, with some exceptions.

Included among the goods which will remain subject to individual licensing are some food products, motor vehicles and parts, air-conditioning machines, certain industrial machinery and equipment, and leather boots and shoes.

France

PROCEDURES FOR SMALL SHIPMENTS—The for incoming shipments not requiring import licences has been raised from 200 thousand francs to 350 thousand francs. Since the beginning of this year, goods liberalized from the dollar area no longer require an import licence (or in a few cases import certificates) if their c. and f. value is under 200 thousand francs. This is now raised to 350 thousand francs (about $700). Documentation on small shipments has also been simplified so that now an importer need present only a final invoice giving the country of origin, and need no longer specify the bank through which payment is to be effected.

This measure applies only to liberalized goods. All shipments of goods with a c. and f. value of over 350 thousand francs still require an import licence or import certificate—Paris.

Jamaica

FOOTWEAR IMPORTS—The Trade Board, Jamaica, notified importers on June 26 that it is prepared to grant permits, outside the quota, to import the following types of footwear during 1959:

Infants' footwear (up to infant size 6)
Slippers with soles of chrome or split leather and uppers of fabric or felt
Slippers with soles and uppers of vulcanized foam rubber
Rubber water boots
Rubber or plastic overshoes
Athletic footwear (except tennis shoes)

Each application for an import permit submitted by an importer should be accompanied by an exact sample pair of the footwear described therein.

New Zealand

IMPORT CONTROLS—*The June 20 issue of "Foreign Trade" carried the text of a telegram from the Commercial Secretary in Wellington regarding New Zealand import restrictions. The following report from the Commercial Secretary gives more details of the actual products affected by the new increase in the 1959 Import Licensing Schedule.*

A further £20 million increase in the import program for the current year was announced on June 6. This, together with previous enlargements of the original 1959 program (see *Foreign Trade*, May 9, 1959), should bring potential imports by private firms in 1959 to a level of approximately £235 million. This is some £5 million less than last year's total, and well below the imports in the record year 1957.

The commodities to benefit from the new increases are divided into two groups: supplies and equipment for industry, and consumer goods. Over one hundred tariff items are affected in the first group, including the following:

Insecticides and fungicides, elastics and elasticized fabrics, knitting needles, textile piecegoods, yarns, parts for lawnmowers, machinery, electrical components, power spray pumps (non-agricultural), household appliance parts, auto parts, copper, aluminium, iron, dry colours, and a wide variety of other articles and materials to be used solely in the fabrication and repair of goods in New Zealand.

Import licence applications are subject to individual scrutiny, and no quotas are published.

The second group of quotas to be increased, mainly consumer goods, numbers about 75 but, as many of the tariff items are expressed in general terms, the number of commodities affected is much greater. These include:

Infants' foods, iodized salt, spirits, medicinal preparations, scientific instruments, babies' clothing, furs, business machines, electric motors, grinding wheels, hand tools and handles, pressure lanterns and stoves, textile piecegoods, sheets, towels and diapers, rubber boots (children's), children's toys, fishing tackle, pianos, cardboard, emery paper and cloth.

To obtain licences for these products, the importer must have a history of imports during a specified base year, as the quotas for each tariff item are expressed as a percentage of (the importer's) purchases or licences during a given year; e.g., textile piece goods= 75 per cent of 1956 imports. For a few products the importing history must be for shipments from the dollar area; i.e., the import quotas are not "global" ones —Wellington.

The International Trade Relations Branch has prepared a detailed list showing the items which have been affected by this latest revision and the licensing treatment to be accorded to each of these. Copies of this list may be obtained from the branch.

General Notes

Belgian Congo

CANADIAN EXPORTS FALL IN FIRST QUARTER—The January-March quarter of 1959 saw a 9 per cent decline in exports from Canada to the Belgian Congo—to $588,199 from $649,527 in the same period of 1958 (1957, $439,935). However, wheat flour exports were valued at $302,641, up 34 per cent from $226,907 in 1958 and nearly four times 1957's $86,311. Flour exports may therefore surpass last year's $893,054 and, if they hold up as well as in the first quarter of 1959, they could equal or exceed the best previous year, 1956 ($1,181,000)—Léopoldville.

French West Indies

BUSINESS SLOW BUT STEADY IN '58—Total production—including sugar, bananas, rum and other products—of the islands of Guadeloupe and Martinique in 1958 was valued at about $38 million and $37 million, a substantial increase over 1957; higher production costs, however, lessened the good effect of this increase. Foreign exchange, particularly dollars, was strictly controlled in 1958 but import licences for goods from Europe were more easily obtainable than in the previous year.

New construction projects planned or already under way last year included the lengthening of the airstrip at Raizet airport to make it suitable for jets, and three new tourist hotels in Guadeloupe—with 500 rooms in all—that are expected to be ready for occupancy in 1960.

Merchants reported steady sales of household appliances and automobiles, which are offered on easy credit terms, and realtors noted an increase in the number of inquiries from Americans for land for winter residences—Port-of-Spain.

Jamaica

HOUSING SCHEME—Three new housing schemes costing over £2,127,000 and involving 1,030 houses and fourteen, 168-unit blocks of flats are scheduled for Jamaica. The Government will seek approval of the House of Representatives to give guarantees totalling £1,555,000 for the three. The schemes are the first to be completed of a number, involving 3,000 new homes, that the Minister of Housing and Social Welfare has been planning for some time—Kingston.

Morocco

NATIONAL BANK FOR ECONOMIC DEVELOPMENT—The Government of Morocco has decided to create a National Bank to stimulate the economic development of Morocco, particularly of Moroccan industry. The new bank will not receive deposits from the public, enter into short-term transactions, nor interfere in the field of agricultural credit, which comes under specialized Moroccan agencies. On the other hand, it will, directly or indirectly, grant medium or long-term loans (from two to thirty years) to private enterprises, acting either on its own or on behalf of the Government. It will extend its guaranty to loans raised by industry and assist in the creation of new companies. It will also manage funds for industrial development from national or international sources that the Government may give into its care.

The new bank will be established in the form of a joint-stock company with an initial capital of $4.8 million. Half of this will be subscribed by the Government and the other half by Moroccan and foreign private investors.

Northern Ireland

BUDGET SHOWS FINANCIAL GAINS—Northern Ireland's Minister of Finance presented these budget figures in the House of Commons on May 20: estimated total revenue, £100,540,000, total expenditure £97,489,670 and, after allowing for a Crown contribution of £3 million, a surplus in the exchequer of £50,330. The Crown contribution, £6 million less than last year, is one of the smallest in recent times. In line with concessions in the British budget, reductions in transferred taxation will affect insurance policies, estate and stamp duties, legal licences and the licence duty on buses. There will also be a reduction in liquor licence duties.

The Minister referred to the steady growth in capital investment, and estimated that it would reach £76 million in 1959-60, against £69 million last year. Investment in land and building, chiefly housing, is expected to rise from £41.5 million to about £47.5 million, an increase of almost 14½ per cent. Northern Ireland's trade and industry are also expected to benefit from the increased purchasing power.

Sweden

EXPORT CREDIT GUARANTEES—The main lines of state export guarantee policy have now been modified and the Swedish Government has been authorized to issue guarantees to a maximum of kr.600 million up to the end of the budget year 1962-63. In future, the guarantee system will be more flexible, and activity will be concentrated on forms of guarantees that are of particular importance to the export trade, i.e., for delivery and manufacturing risks. The upper limit for guarantees will be increased from 85 to 90 per cent.

Emphasis will be placed on guarantees for delivery and manufacturing risks, but current guarantees for storage credits will not be withdrawn. Guarantees will be extended to cover all factors outside the control of the seller. These previously applied to losses because of currency difficulties, war and revolution; but now all instances in which goods do not reach their destination, such as disrupted communications or other factors, will be taken into consideration—Stockholm.

Taiwan

INVITATIONS TO BID—The Central Trust of China, Taipei, Taiwan, has revoked its ruling that invitations to bid submitted by foreign suppliers against CTC tenders must be submitted by branch offices in Taiwan or by Taiwan agents of foreign suppliers. Bids will continue to be received direct from suppliers. They must reach the Manager, Purchasing Department, Central Trust of China, 68 Yen Ping Nan Road, Taipei, Taiwan, before the tender-opening time. They must contain the required information and any documents, such as catalogues, specified in the invitation. Cabled bids from foreign suppliers or manufacturers will not be considered unless the invitation specifically calls for them.

However, past experience has shown that agents in Taiwan can be most useful in submitting bids from foreign manufacturers. It is therefore strongly recommended that any Canadian manufacturer interested in doing business in Taiwan make arrangements through the Consulate General in Manila—which handles commercial relations with the Republic of China (Taiwan)—to obtain satisfactory representation in Taiwan—Manila.

Venezuela

PROTECTION FOR LOCAL INDUSTRY—Decree 512, promulgated last March, by which the Government will give preference in its purchases to Venezuelan goods when prices are not more than 25 per cent higher than those of foreign origin, became effective in June. Government purchases, which will now be diverted towards locally produced articles, are estimated at Bs.400 million a year—Caracas.

Tours of Territory

M. P. CARSON, Trade Commissioner in Singapore, will visit Rangoon, Burma, from August 10-15, and North Borneo, Sarawak and Brunei from September 12-15.

R. M. DAWSON, Assistant Trade Commissioner in Guatemala City, Guatemala, will visit El Salvador from July 20-25.

L. D. R. DYKE, Assistant Commercial Secretary in Athens, Greece, will visit Israel from July 22-31.

B. C. STEERS, Assistant Trade Commissioner in Singapore, will visit Bangkok from July 19-August 1.

C. F. WILSON, Commercial Counsellor, Copenhagen, Denmark, will visit Warsaw, Poland, from July 27-31.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Carson at Singapore, Mr. Dawson at Guatemala City, Mr. Dyke at Athens, Mr. Steers at Singapore, and Dr. Wilson at Copenhagen.

foreign trade service abroad

Bentley's Second Phrase Code is used by Canadian Trade Commissioners

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina	C. S. Bissett Commercial Counsellor G. E. Blackstock Assistant Commercial Secretary	Canadian Embassy Bartolome Mitre 478 BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-8237
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	H. S. Hay Acting Commercial Secretary	7th Floor, Berger House 82 Elizabeth Street SYDNEY	*Mail:* *P.O.* Box 3952 G.P.O. *Cable:* CANADIAN *Tel.:* BW 5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	T. G. Major Commercial Counsellor for Canada	83 William Street MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MU 4716
Austria Czechoslovakia, Hungary	W. Van Vliet Commercial Counsellor (temporary)	Opernringhof Opernring 1 VIENNA I	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 57-25-97
Belgian Congo Angola, French Equatorial Africa	K. Nyenhuis Canadian Government Trade Commissioner R. A. Bull Assistant Trade Commissioner	Forescom Building LEOPOLDVILLE 1	*Mail:* Boîte Postale 8341 *Cable:* CANADIAN *Tel.:* 2706
Belgium Luxembourg	L. H. Ausman Commercial Counsellor J. R. Roy Assistant Commercial Secretary	Canadian Embassy 35 rue de la Science BRUSSELS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 13.38.50
Brazil	C. M. Kerr Acting Commercial Secretary	Canadian Embassy Edificio Metropole Av. Presidente Wilson 165 RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel.:* 42-4140
Brazil	R. C. Anderson Vice Consul and Acting Trade Commissioner	Canadian Consulate Edificio Alois Rua 7 de Abril 252 SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
Ceylon	Commercial Secretary (absent)	Office of the High Commissioner for Canada 6 Gregory's Road Cinnamon Gardens COLOMBO	*Mail:* P.O. Box 1006 *Cable:* CANADIAN *Tel.:* 91341
Chile	H. M. Maddick Commercial Secretary	Canadian Embassy 6th Floor Av. General Bulnes, 129 SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	J. H. Bailey Commercial Secretary N. L. Currie Assistant Commercial Secretary	Canadian Embassy Edificio Banco de Los Andes Carrera 10, No. 16-92 BOGOTA	*Airmail:* Apartado Aereo 3562 *Surface Mail:* Apartado 1618 *Cable:* CANADIAN *Tel.:* 30-065
Cuba	R. R. Parlour Commercial Secretary	Canadian Embassy Edificio Ambar Motors Avenida Menocal 16 HAVANA	*Mail:* Apartado 1945 *Cable:* CANADIAN *Tel.:* UO-9457
Denmark Greenland, Poland	C. F. Wilson Commercial Counsellor	Canadian Embassy 4 Trondhjems Plads COPENHAGEN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Tria 1602

Territory	Officer	City Address	Mail and Cables, Office Telephone
Dominican Republic Puerto Rico	W. B. McCullough Commercial Counsellor (absent) J. M. Knowles Acting Commercial Secretary	Canadian Embassy Edificio Copello 408 Calle El Conde CIUDAD TRUJILLO	*Mail:* Apartado 93 *Cable:* CANADIAN *Tel.:* 8138
France Algeria, French West Africa, Morocco, Tangier, Tunisia	R. Campbell Smith Commercial Counsellor (absent) W. G. Brett Commercial Secretary C. T. Charland Assistant Commercial Secretary	Canadian Embassy, 35 Avenue Montaigne, PARIS 8e	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* BALzac 99-55
Germany Federal Republic	J. A. Stiles Commercial Counsellor G. F. Mintenko Assistant Commercial Secretary W. J. O'Connor Assistant Commercial Secretary (Agriculture)	Canadian Embassy 22 Zitelmannstrasse BONN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Bonn 21971
Germany	E. H. Maguire Consul J. M. T. Thomas Vice Consul	Canadian Consulate 69 Ferdinandstrasse HAMBURG	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 326149
Ghana Gambia, Nigeria, Sierra Leone	Commercial Secretary (absent)	Office of the High Commissioner for Canada E 115/3 Independence Ave. ACCRA	*Mail:* P.O. Box 1639 *Cable:* CANADIAN *Tel.:* 4824
Greece Israel, Turkey	P. V. McLane Commercial Counsellor L. D. R. Dyke Assistant Commercial Secretary	Canadian Embassy 31 Vassilissis Sophias Ave. ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	H. W. Richardson Canadian Government Trade Commissioner R. M. Dawson Assistant Trade Commissioner	5 Avenida 10-68, Zone I GUATEMALA CITY, C.A.	*Airmail:* P.O. Box 400 *Surface Mail:* P.O. Box 444 *Cable:* CANADIAN *Tel.:* 5590
Haiti	Chargé d'Affaires, a.i. and Consul	Canadian Embassy Route du Canape Vert St. Louis de Turgeau PORT AU PRINCE	*Mail:* P.O. Box 826
Hong Kong Cambodia, Communist China, Laos, Vietnam, Macao	C. M. Forsyth-Smith Canadian Government Trade Commissioner C. J. Small Trade Commissioner D. J. McEachran Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg. HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Tel.:* 28336
India	B. A. Macdonald Commercial Counsellor J. R. Midwinter Assistant Commercial Secretary	Office of the High Commissioner for Canada 4 Aurangzeb Road NEW DELHI 1	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 40191
India Calcutta, Madras, Goa	H. A. Gilbert Canadian Government Trade Commissioner	Gresham Assurance House Mint Road BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 255154
Indonesia	M. B. Blackwood Commercial Secretary (absent)	Canadian Embassy Djl. Budi Kemuliaan No. 6 DJAKARTA	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Gambir 1313
Iran	A. B. Brodie Commercial Counsellor	Canadian Legation TEHRAN	*Mail:* Central P.O., Box 1610 *Cable:* CANTRACOM *Tel.:* 49291
Ireland	Commercial Secretary for Canada (absent)	66 Upper O'Connell St. DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 44251

Territory	Officer	City Address	Mail and Cables, Office Telephone
Italy Libya, Malta, Yugoslavia	Richard Grew Commercial Counsellor J. G. Ireland Assistant Commercial Secretary	Canadian Embassy Via G. B. De Rossi 27 ROME	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 861-951
Japan South Korea	J. L. Mutter Commercial Counsellor R. G. Woolham Assistant Commercial Secretary	Canadian Embassy TOKYO	*Mail:* Canadian Embassy *Cable:* CANADIAN *Tel.:* 408-2101/8
Lebanon Iraq, Jordan, Persian Gulf area, Syrian Region of United Arab Republic	C. O. R. Rousseau Commercial Secretary (absent) W. B. Walton Acting Commercial Secretary	Canadian Embassy Alpha Building Rue Clemenceau BEIRUT	*Mail:* Boîte Postale 2300 *Cable:* CANADIAN *Tel.:* 30794
Mexico	C. J. Van Tighem Commercial Counsellor A. A. Lomas Assistant Commercial Secretary (absent)	Canadian Embassy Melchor Ocampo 463, 7th Floor MEXICO 5, D. F.	*Mail:* Apartado 25364 *Cable:* CANADIAN *Tel.:* 25-15-60
Netherlands	W. R. Hickman Commercial Secretary B. Horth Assistant Commercial Secretary	Canadian Embassy Sophialaan 5-7 THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 61-41-11
New Zealand Fiji, French Oceania, Western Samoa	J. H. Stone Commercial Secretary J. MacNaught Assistant Commercial Secretary	Office of the High Commissioner for Canada Government Life Insurance Bldg. WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
Norway Iceland	Commercial Counsellor (absent)	Canadian Embassy Fridtjof Nansens Plass 5 OSLO	*Mail:* P.O. Box 1379—Vika *Cable:* CANADIAN *Tel.:* 33-30-80
Pakistan Afghanistan	L. A. Campeau Commercial Secretary	Office of the High Commissioner for Canada Hotel Metropole, Victoria Rd. KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Tel.:* 50322
Peru Bolivia	D. H. Cheney Commercial Secretary W. J. Jenkins Assistant Commercial Secretary	Canadian Embassy Edificio Boza, Carabaya 831 Plaza San Martin, LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 72760
Philippines Republic of China (Taiwan)	H. L. E. Priestman Consul General and Trade Commissioner R. H. Gayner Vice Consul and Assistant Trade Commissioner	Canadian Consulate General Ayala Building Juan Luna Street MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 3-33-35
Portugal Azores, Cape Verde Islands, Madeira, Portuguese Guinea	Commercial Counsellor (absent)	Canadian Embassy Rua Marques de Fronteira No. 8—4° D° LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 53117
Rhodesia and Nyasaland Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	L. S. Glass Canadian Government Trade Commissioner	Offices 110-113 Central Africa House Corner First St./Gordon Ave. SALISBURY	*Mail:* P.O. Box 2133 *Cable:* CANTRACOM *Tel.:* 26571

Territory	Officer	City Address	Mail and Cables, Office Telephone
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	M. P. Carson Canadian Government Trade Commissioner B. C. Steers Assistant Trade Commissioner	Rooms 4, 5 and 6 American International Building Robinson Road and Telegraph St. SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 74260
South Africa (Natal, Transvaal, Orange Free State), Madagascar, Mauritius, Mozambique, Reunion	C. R. Gallow Canadian Government Trade Commissioner	Mutual Building Harrison Street JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANADIAN *Tel.:* 33-2628
South Africa (Cape Province), St. Helena, Southwest Africa	M. R. M. Dale Canadian Government Trade Commissioner	602 Norwich House The Foreshore CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio Muni, Rio de Oro	M. T. Stewart Commercial Counsellor	Canadian Embassy Edificio España Avenida de Jose Antonio 88, MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 47-54-00
Sweden Finland	A. P. Bissonnet Commercial Counsellor P. A. Freyseng Assistant Commercial Secretary	Canadian Embassy Strandvagen, 7-C STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland	B. I. Rankin Commercial Counsellor G. P. Morin Assistant Commercial Secretary	Canadian Embassy Kirchenfeldstrasse 88 BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 4-63-81
United Arab Republic Egyptian Region Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia, Yemen	W. J. Collett Acting Commercial Secretary	Canadian Embassy 6 Sharia Rouston Pasha Garden City CAIRO	*Mail:* Kasr el Doubara Post Office *Cable:* CANADIAN *Tel.:* 23110
United Kingdom	B. C. Butler Minister (Commercial) W. Gibson-Smith Commercial Secretary S. G. Tregaskes Commercial Secretary D. B. Laughton Agricultural Secretary E. J. White Commercial Secretary (Timber)	Office of the High Commissioner for Canada Canada House Trafalgar Square LONDON, S.W.1	*Mail:* (City Address) *Cable:* SLEIGHING *Tel.:* Whitehall 8701 *Cable:* TIMCOM
United Kingdom (Midlands, North England)	A. W. Evans Canadian Government Trade Commissioner	Martins Bank Building Water Street LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Northern Ireland)	Canadian Government Trade Commissioner (absent)	36 Victoria Square BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	Dr. W. C. Hopper Minister (Commercial) T. M. Burns Commercial Secretary W. A. Stewart Assistant Commercial Secretary J.D. Blackwood Assistant Commercial Secretary	Canadian Embassy 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* DEcatur 2-1011
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia	S. V. Allen Deputy Consul General (Commercial)	Canadian Consulate General 680 Fifth Ave NEW YORK CITY 19	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400

Territory	Officer	City Address	Mail and Cables, Office Telephone
United States—*con.*	H. E. Lemieux Consul and Trade Commissioner F. I. Wood Vice Consul and Assistant Trade Commissioner		
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	F. B. Clark Consul and Trade Commissioner	Canadian Consulate General 532 Little Building 80 Boylston Street BOSTON 16	*Mail:* (City Address) *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	Consul and Trade Commissioner (absent) G. F. J. Osbaldeston Vice Consul and Acting Trade Commissioner	Canadian Consulate General 111 North Wabash Avenue CHICAGO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAndolph 6-6033
United States (Michigan, Ohio)	M. J. Vechsler Consul and Trade Commissioner R. V. N. Gordon Consul and Trade Commissioner	Canadian Consulate 1139 Penobscot Building DETROIT 26	*Mail:* (City Address) *Tel.:* WOodward 5-2811
United States California (the ten southern counties), Clark County in Nevada, Arizona, New Mexico	Consul and Trade Commissioner (absent)	Canadian Consulate General 510 West Sixth Street LOS ANGELES 14	*Mail:* (City Address) *Tel.:* MAdison 2-2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	T. F. Harris Consul and Trade Commissioner	Canadian Consulate General 215-217 International Trade Mart NEW ORLEANS 12	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* JAckson 5-2136
United States California, (except the ten southern counties), Wyoming, Nevada (except Clark County), Utah, Colorado, Hawaii	Consul General	Canadian Consulate General 3rd Floor, Kohl Building 400 Montgomery Street SAN FRANCISCO 4	*Mail:* (City Address) *Tel.:* SUtter 1-3039
United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General The Tower Building Seventh Avenue at Olive Way SEATTLE 1, Washington	*Mail:* (City Address) *Tel.:* MUtual 3515
Uruguay Paraguay Falkland Islands	C. B. Birkett Commercial Counsellor (absent)	Canadian Embassy No. 1409 Avenida Agraciada PISO 7° MONTEVIDEO	*Mail:* Casilla Postal 852 *Cable:* CANADIAN *Tel.:* 96096
Venezuela Netherlands Antilles	R. E. Gravel Commercial Counsellor R. D. Sirrs Assistant Commercial Secretary J. E. Montgomery Assistant Commercial Secretary	Canadian Embassy Edificio Pan American Avenida Urdaneta Puente Urapal, Candelaria CARACAS	*Mail:* Apartado 9277 *Cable:* CANADIAN *Tel.:* 54.34.32
West Indies (Barbados, Trinidad and Tobago, Windward and Leeward Islands) British Guiana, French Guiana, Surinam Guadeloupe, Martinique	R. G. C. Smith Commissioner for Canada R. L. Richardson Assistant Commercial Secretary	Colonial Building 72 South Quay PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Tel.:* 34787
West Indies (Jamaica) Bahamas, British Honduras	H. E. Campbell Canadian Government Trade Commissioner C. G. Bullis Assistant Trade Commissioner	Barclays Bank Building King Street KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Tel.:* 2858

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1.0495.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent July 7	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free	.01177	84.96	(1)
Austria	Schilling		.0367	27.25	
Australia	Pound		2.1438	.4665	
Bahamas	Pound		2.6797	.3732	
Belgium, Belgian Congo and Luxembourg	Franc		.0191	52.36	
Bermuda	Pound		2.6797	.3732	
Bolivia	Boliviano	Free	.00008	1,250.	
British Guiana	Dollar		.5583	1.79	
British Honduras	Dollar		.6699	1.49	
Brazil	Cruzeiro	General Category*	.00556	179.74	*May 25 (2)
		Special Category*	.00281	355.54	
		Official selling	.05147	19.43	(3)
Burma	Kyat		.2001	4.99	
Ceylon	Rupee		.2010	4.98	
Chile	Peso	Free	.0009	1,111.11	(4)
Colombia	Peso	Certificate	.1488	6.72	
Costa Rica	Colon	Official	.1697	5.89	
		Controlled free	.1577	6.34	
Cuba	Peso		.9528	1.05	tax 2%
Czechoslovakia	Koruna		.1323	7.56	
Denmark	Krone		.1385	7.22	
Dominican Republic	Peso		.9528	1.05	
Ecuador	Sucre	Official	.06352	15.74	
		Free	.05457	18.33	
Egyptian Region, United Arab Rep.	Pound	Official	2.7361	.3655	
		Export account selling	1.83	.5464	
El Salvador	Colon		.3811	2.62	
Fiji	Pound		2.4141	.4142	
Finland	Markka		.003	333.33	
France, Monaco and North Africa	Franc		.0019	526.32	(5)
French colonies	Franc		.0039	256.41	(6)
French Pacific	Franc		.0107	93.46	(7)
Germany	D Mark		.228	4.39	
Ghana	Pound		2.6797	.3732	
Greece	Drachma		.0318	31.45	
Guatemala	Quetzal		.9528	1.05	
Haiti	Gourde		.1906	5.25	
Honduras	Lempira		.4764	2.09	
Hong Kong	Dollar	Free*	.1815	5.51	*June 26
		Official	.1675	5.97	
Iceland	Krona	Official	.0585	17.09	(8)
India	Rupee		.2012	4.97	
Indonesia	Rupiah	Effective buying	.0347	28.85	*June 22
		Effective selling	.0277	36.06	(8)
Iran	Rial		.01399	71.46	

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent July 7	Units per Canadian dollar	Notes (See below)
Iraq	Dinar		2.6679	.3748	
Ireland	Pound		2.6797	.3732	
Israel	Pound		.5293	1.89	
Italy	Lira		.0015	666.66	
Japan	Yen		.0026	384.61	
Lebanon	Pound	Free	.3024	3.31	
Mexico	Peso		.0763	13.11	
Netherlands	Florin		.2527	3.96	
Netherlands Antilles	Florin		.5092	1.96	
New Zealand	Pound		2.6797	.3732	
Nicaragua	Cordoba	Effective buying	.1444	6.93	
		Official selling	.1488	6.72	
Norway	Krone		.1339	7.47	
Pakistan	Rupee		.2010	4.96	
Panama	Balboa		.9528	1.05	
Paraguay	Guarani	Official	.0079	126.58	
Peru	Sol	Certificate	.0332	30.12	
Philippines	Peso		.4764	2.09	
Portugal & Colonies	Escudo		.0332	30.12	(9)
Singapore and Malaya	Straits dollar		.3126	3.20	
Spain and Dependencies	Peseta	Commercial selling	.0250	40.02	(8)
Sweden	Krona		.1842	5.43	
Switzerland	Franc		.2212	4.52	
Syrian Region, United Arab Rep.	Pound	Free	.293	3.41	
Thailand	Baht	Free	.0454	22.03	(8)
Turkey	Lira	Effective selling	.1059	9.44	(8)
Union of South Africa	Pound		2.6797	.3732	
United Kingdom	Pound		2.6797	.3732	
United States	Dollar		.9528125	1.0495	
Uruguay	Peso	Free	.09295	10.76	
		Basic buying	.6896	1.45	(8)
		Principal selling	.50	2.00	
Venezuela	Bolivar		.2844	3.52	
West Indies Fed.	Dollar		.5589	1.79	(10)
	Pound		2.6825	.3728	(11)
Yugoslavia	Dinar	Official	.0032	312.50	(8)
		Settlement rate	.0017	602.18	

*Latest available quotation date.

notes

1. Argentina: Effective Jan. 1, 1959, a single fluctuating exchange rate was introduced. Exports are subject to retention taxes of either 10 or 20 per cent ad valorem under this system.
2. Brazil: exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product.
3. For imports of wheat, newsprint and petroleum, the effective rate of exchange is the official selling rate plus a surcharge of 61.18 cruzeiros.
4. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 5,000 per cent, depending on product, prior to shipment of goods.
5. France: territory includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
6. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
7. New Caledonia, New Hebrides, Oceania.
8. Additional rates are in effect.
9. Portugal: approximately same rate for Portuguese territories in Africa.
10. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
11. Jamaica.

Trade Commissioners on Tour

The following officers of the Trade Commissioner Service will shortly begin tours in Canada. Their itineraries are:

S. V. ALLEN, Deputy Consul General (Commercial), in New York:

Ottawa—Aug. 3-7
Montreal—Aug. 10-14
Toronto—Aug. 17-22
Vancouver—Sept. 14-17

N. W. BOYD, formerly Assistant Commercial Secretary in Berne, Switzerland:

Vancouver—July 23-August 7

When he completes his tour Mr. Boyd will be posted to Tokyo, Japan, as Assistant Commercial Secretary.

V. L. CHAPIN, Commercial Counsellor in Rio de Janeiro, Brazil:

Toronto—July 16-22

P. T. EASTHAM, Assistant Commercial Secretary in Port-of-Spain, Trinidad:

Toronto—July 20-22
Winnipeg—July 27-28
Vancouver—Aug. 3-5

When he completes his tour Mr. Eastham will be posted to Brussels as Assistant Commercial Secretary.

H. J. HORNE, Commercial Secretary in Karachi, Pakistan:

Vancouver—July 27-30
Winnipeg—Aug. 5

Mr. Horne is being transferred to Chicago as Consul and Trade Commissioner and is expected to arrive there early in August.

A. A. LOMAS, Assistant Commercial Secretary in Mexico City:

Fredericton—July 20
Saint John—July 21-22
Halifax—July 29-31

K. F. OSMOND, Commercial Secretary in Rome, Italy:

St. John's—July 20-21
Montreal—Oct. 1-16

W. G. PYBUS, Commercial Secretary in Tokyo, Japan:

Winnipeg—July 20-22

R. F. RENWICK, Consul and Trade Commissioner in Chicago:

Montreal—July 20-24

Mr. Renwick will be transferred to Port-of-Spain, Trinidad, as Commercial Secretary late in August.

C. O. R. ROUSSEAU, Commercial Secretary in Beirut, Lebanon:

Montreal—Aug. 31-Sept. 4
Toronto—Sept. 8-14
Hamilton—Sept. 15
Winnipeg—Sept. 18-19
Vancouver—Sept. 21-23

R. CAMPBELL SMITH, Commercial Counsellor in Paris, France:

Montreal—July 16-23
Hamilton—July 24
Winnipeg—July 27-28
Vancouver—July 30-31, Sept. 16-18

R. K. THOMSON, Commercial Secretary in Vienna, Austria:

Montreal—July 17-24
Ottawa—July 27-Aug. 7

W. R. VAN, Commercial Secretary in Colombo, Ceylon:

Vancouver—July 16-23

Businessmen who wish to see these officers should get in touch with the Board of Trade or Chamber of Commerce in the cities mentioned, with the following exceptions. In Toronto, Winnipeg and Edmonton, the Trade Commissioners make their headquarters at the offices of the Canadian Manufacturers Association; in Windsor, Ontario, at the offices of the Greater Windsor Industrial Commission; in St. John's, Ottawa and Vancouver, at the Department of Trade and Commerce; in Victoria, at the Department of Trade and Industry, and in Fredericton at the Department of Industry and Development.

THE CHICAGO PUBLIC LIB.
DOCUMENTS DEPT.,
78 EAST WASHINGTON ST.,
CHICAGO 2, ILL, USA.
11CS550 12-59 FT.S.

The Queen's Printer
OTTAWA

If undelivered return to:
The Queen's Printer, Ottawa, Canada

Secretaries, Stenographers

Interesting careers abroad are open to you now with Canada's Foreign Service in these departments:

Trade and Commerce
External Affairs
Citizenship and Immigration

Starting salaries up to $262 a month —and you receive living allowances while you are at your foreign post.

If you are a Canadian, age 21 to 40, and are prepared to serve wherever required, write for further details to the

Civil Service Commission, Ottav

and quote competition 59-